

THE TIMES

Tomorrow

Whose baby?
Wednesday Page examines the case for surrogate mothers

Middle ground
Bernard Levin signposts the moderate union path through Whitehall

Old world
Spectrum meets the old world sect that is alive and well in the New World



County ground
John Woodcock looks ahead to a cricketing summer in which West Indies tour England and Essex defend the county championship

Teachers' pay vote challenged

Members of the executive of the National Union of Teachers have called for a vote to cancel a decision by its annual conference to overturn the union's pay policy of 15 years and put in a claim next year for a flat-rate increase, instead of a percentage claim. **Page 2**

Morale boost

China has joined moves by the Hongkong Government Office to maintain confidence in the colony's future after Sir Geoffrey Howe's withdrawal announcement. **Page 19**

Tornado toll

Tornadoes killed 15 people in a week that has also seen snowstorms, floods and an earthquake in various parts of the US. **Page 4**

Delhi hopes

The Indian Government is convinced that terrorism in Punjab caused by Sikh militancy will be curbed within two months. **Page 8**

After Haddad

The commander of Israel's new Lebanese militia has told *The Times* in his first interview that he opposes the continued presence of Israeli troops in southern Lebanon. **Page 6**

Unionist rifts

Unionist politicians in Northern Ireland are increasingly divided over how to respond to the report due next week from the New Ireland Forum. **Page 2**

Resignation call

Mr Nicholas Edwards, the Secretary of State for Wales, has been urged to make the possible closure of any Welsh steelworks a resignation issue. **Page 2**

National first

Ann Ferris became the first woman to ride the winner of the Irish Grand National at Fairyhouse yesterday. Her sister, Rosemary Stewart, rode the third. **Page 24**

Keegan's day

Newcastle United improved their prospects of first division football by beating Carlisle United 5-1 at St James' Park. Keegan and Beardsley both scored twice. **Page 22**

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'Hardliners insist on waiting for direct orders from Gaddafi'

Libya staff in doubt over when to leave Britain

● Hardliners and moderates within the Libyan People's Bureau are reported to be in dispute over the timing of their departure

● Support for the IRA might be extended to allow it to open offices in Libya, the newspaper of the Libyan Revolutionary Committee has said

● Salah Mabruk, a Libyan student arrested at the weekend, was deported yesterday on the orders of Mr Leon Brittan, the Home Secretary

● Trade will almost certainly suffer as a result of the break in diplomatic ties, but Libya could be the greater loser. **Page 2**

By Henry Stanhope, Diplomatic Correspondent

A fierce dispute has been reported from within the Libyan People's Bureau between hardliners who want to remain until direct orders from Colonel Gaddafi, the Libyan leader, and moderates who insist that a telex message from the foreign liaison bureau in Tripoli on Sunday, gave them authority to leave the besieged building.

Diplomats and students at the bureau in St James's Square have told journalists they will stay until Sunday afternoon, just before the midnight deadline for their expulsion.

Detailed discussions over their departure have begun between the Foreign Office and Mr Muftah Fitouri, acting charge d'affaires in London. Mr Fitouri spent some time at the Foreign Office yesterday and is expected to become a regular visitor over the next few days.

According to the one Arabic-speaking source with contacts inside the bureau, some would like to come out today. But the Libyans must also have a lot of work to do if they are to ensure that the police find little of interest when they enter the building on Monday.

Some Libyans could be taken straight to an airport since it is believed that they live on the premises, but others are thought to have homes in London and families who would leave with them.

With no sign of imminent

evacuation last night, Scotland Yard said that workers will be allowed into some areas of the square today. The roads into the square will remain closed.

Sir Kenneth Newman, the Metropolitan Police Commissioner, and Assistant Commissioner John Dellow, who was in charge of the Iranian embassy siege four years ago, and is now head of London's CID, visited the square yesterday.

Food and two shirts were carried into the bureau, paid for by the two Libyan staff who have acted as intermediaries throughout the past week.

Libyan sources in London suggest that Colonel Gaddafi will now try to distance himself from the crisis, allowing his foreign ministry to conduct the negotiations.

Mr Oliver Miles, the British ambassador in Tripoli, saw Dr Ali Treiki, the Libyan foreign minister, yesterday to discuss the withdrawal of staff from the British Embassy after the British Government's decision on Sunday to break off diplomatic relations.

The Foreign Office said last night that no decision had been made on Mr Miles's return. But that too is unlikely to take place until almost the eleventh hour because staff will need as much time as possible to clear their desks and pack.

Those virtually imprisoned within the bureau in St James's Square since Women Police

Constable Yvonne Fletcher was shot dead outside a week ago today have asked police for permission to visit banks and West End stores before returning to Libya.

But it is highly unlikely that the police, who are maintaining their armed vigil in the square, will agree.

Both governments have to decide on "protecting powers" to look after the interests of nationals in each other's country.

Britain has asked Italy because of its historic connections with Libya. But the Foreign Office would not comment last night because agreement has still to come from Tripoli.

There was no indication about which country would be the protecting power for Libya. The effect of breaking diplomatic relations is to sever the official channel of communication between two governments.

But Whitehall sources pointed out that business need not be hampered and there were no reasons to suppose that the 3,000-9,000 Britons working in Libya would be harmed.

Britain's EEC membership also means that the Government is able to have some contact through community partners.

Diplomatic immunity, page 2
Embassy architecture, page 12

Aid to IRA threat by Tripoli

From Tana de Zulueta, Tripoli

Libya gave warning yesterday that it might extend its support for the IRA. A front-page article in *Green March*, organ of the Libyan Revolutionary Committee, said the IRA may be allowed to open offices there.

"The revolutionary forces will cooperate with the IRA for the liberation of Ireland... If the British Government acts against the Libyans in Britain then the Libyan revolutionary forces will help the IRA do the same in Britain", the article said.

"If Great Britain does not surrender the criminals it is harbouring, and who are wanted by Interpol, the revolutionary forces of the Jamahiriya will not abide by international law and will take revolutionary action."

A back-page cartoon depicted Mrs Margaret Thatcher in black fishnet tights pointing a pistol at a tiny building marked "Office of the People's Bureau of the Jamahiriya".

● **BELFAST:** Leaders of the Provisional IRA would undoubtedly welcome assistance from Colonel Gaddafi, particularly if it had more substance than mere rhetoric (Richard Foster writes).

The Libyan leader first achieved notoriety in Britain for his well-publicized sympathy for the IRA during the early 1970's, though the relationship later cooled.

● **LONDON:** Whitehall reacted coolly to the suggestion of Libyan backing for the IRA. A Foreign Office official pointed out that similar threats had been made many times before (Henry Stanhope writes).

Labour holds fire until crisis ends

By Julian Haviland, Political Editor

The reluctance of the Libyans to comply with the Government's order for their expulsion will be a help to Mr Leon Brittan, the Home Secretary, when he faces the Commons tomorrow to report on the events.

The Opposition will refrain from any critical questions so long as matters in London remain unresolved and until British diplomats have returned safely from Tripoli. Although Mr Neil Kinnock and his frontbench colleagues have had no collective discussion yet, there was clearly agreement yesterday that nothing should be said to allow Colonel Gaddafi to suppose that he has any supporters at Westminster.

But there are sure to be requests for Mr Brittan, and perhaps also Sir Geoffrey Howe, the Foreign Secretary, to return to the House next week for a fuller examination.

Labour will want to know the truth of reports that the Government had advanced warning that the Libyan People's Bureau was under orders to fire on anti-Gaddafi demonstrators and on police.

They are inclined to believe

that the Government was gravely at fault in allowing the irregular staff at the bureau to have diplomatic status, and was slow to act on evidence that criminal activities were being directed from the bureau.

They will also seek in time an explanation from Mr Brittan of what one senior Labour figure described as appallingly lax security at Heathrow, which allowed abandoned luggage to be held in an area where flights from Libya were received and where passengers were at risk.

Few MPs quarrelled yesterday with the Government's decision to sever diplomatic relations with Libya, even at the unwelcome price of giving the killer of WPC Yvonne Fletcher safe conduct.

However, Mr Eldon Griffiths, Conservative MP for Bury St Edmunds, who speaks for the Police Federation in the Commons wanted to know whether it was Mr Brittan's decision, or the professional opinion of the police, that nothing could be gained from continuing the siege, and that sufficient evidence to warrant prosecution of the killer was unlikely to be found.

Student deported

A Libyan student, arrested at the weekend by detectives investigating the Peoples Bureau shooting, was deported from Britain yesterday after Mr Leon Brittan, the Home Secretary, made an order for his expulsion.

Salah Ibrahim Mabruk, aged 26, was deported because it was felt that his "continued presence in this country was not conducive to the public good".

He was said to have arrived in Britain in 1982 to study English.

Scotland Yard said he was arrested on Saturday and left yesterday afternoon at 3.30 on a flight to Tripoli.

But a spokesman refused to give details of his arrest or the reasons behind his expulsion which is similar to that of other Libyans after recent bombings in Britain.



Packing up: Lucy and Hugh Miles, youngest children of Mr Oliver Miles, the British ambassador to Libya, preparing yesterday to leave their residence in Tripoli.

NUM fears revolt over strike

By David Felton, Labour Correspondent

An early indication of whether miners will head the National Union of Mineworkers' call to join the strike now in its seventh week is likely to come today when seven pits in Nottinghamshire are due to re-open after the holiday period.

The call by the NUM delegate conference for a national stoppage was backed by Nottinghamshire NUM leaders who asked that the area's 34,000 miners should join the 140,000 strikers in other areas. But there were doubts last night about the likely response of the Nottinghamshire men.

NUM leaders from Nottinghamshire, who made the strike call on Good Friday after the national conference decision on Thursday, are themselves pessimistic about the likely response.

Miners' pickets' attention is also likely to be directed to the ports where foreign coal is still being imported. Yesterday dockers announced that they would not handle coal that was due to be landed at British Steel's Hunterston dock in Strathclyde and was destined for the Ravenscraig steelworks.

The Librarian-registered Hastings carrying the coal turned away from the port, but the dockers may agree to unload a British vessel, the Farland, which is due to land a consignment of coking coal for Ravenscraig later this week.

The propaganda battle between the NUM and the National Coal Board is likely to intensify this week when the board starts a series of newspaper advertisements explaining its pit closure strategy.

● Mr Kevin Barron, Labour MP for Rother Valley, is to protest in Parliament about the "disgraceful" conditions in which he claims four miners are being held at Lincoln Prison. The men, from the Sheffield area, were remanded in custody for a week by a Mansfield magistrate at a special court on Friday following incidents near the M1.

Leading article, page 13

Outlook sunny after warm Easter

By Hugh Clayton

The weather forecast for the rest of the week was for continuing bright sunshine after one of the warmest Easters which brought with it many of the traditional ingredients of a British holiday weekend.

Roads were clogged with traffic on many main holiday routes: there were gang fights at seaside resorts and forest fires inland. A policeman died in a road accident as he was helping to escort motorcyclists near a crowded racing circuit in the Midlands.

It was so hot at Nottingham races that a horse went swimming. Fleur-de-Chrisse jumped into the Trent and swam across to the opposite bank after escaping from her stable lad. She was rescued by the Nottingham Sailing Club.

A man and his son, aged six, survived being flung from a fairground ride at New Brighton, Merseyside. The Health and Safety Executive

will investigate. Some prisoners were removed from cells at a police station in Portsmouth because the hot weather encouraged a rapid spread of fleas.

By the time pest control officials had been recalled from their weekend breaks to fumigate the station yesterday one policeman had 27 bites. Mr Michael Montague, chairman of the English Tourist Board, said that the Easter weekend had brought a splendid start to the tourist season which might surpass that of the jubilee year of 1977.

Several tourist attractions had to be closed because of the pressure of visitors. Barry Island in South Wales was barred to traffic early in the afternoon and Thorpe Park near Chertsey, Surrey, was shut when its car parks were filled.

More than 800 cars an hour headed towards Porthcawl, Continued on back page, col 2

Observer's sale 'would upset union'

By David Felton, Labour Correspondent

Trade unions have not been drawn into discussions over the future of *The Observer*, and would be unhappy if there were a change of ownership. Mr William Keys, general secretary of Sogat '82, the biggest printing union, said last night.

"As someone who believes passionately in the freedom of expression in the press I would not be happy to see the paper pass into the hands of someone who may not be prepared to give the editorial safeguards that exist at the moment," Mr Keys said.

A meeting of the National Graphical Association's (NGA) national council this afternoon is likely to receive a report on negotiations between Mr Tiny Rowland, the newspaper's chairman and chief executive of Lonrho, and Robert Maxwell, the publishing millionaire.

Mr Maxwell said yesterday that he was prepared to "pay the right price" for the newspaper and a deal could be made today.

One important condition that both unions will seek to agree with any buyer would be maintenance of existing agreements covering production staff at *The Observer*.

Mr Keys said that he was not prepared to state a preference on a buyer although Sogat '82 has been involved recently in several bitter disputes with Mr Maxwell's British Printing and Publishing Corporation.

● *The Observer's* future will be discussed at a series of meetings in London today (Patricia Clough writes). Mr Rowland will meet Mr Maxwell for breakfast at Claridges to discuss a possible sale.

At noon Mr Rowland is due to meet the newspaper's five independent directors about his dispute with Mr Treford.

'It is an old maxim of mine that whenever you have excluded the impossible, whatever remains, however improbable, must be the truth.'

THE ADVENTURES OF SHERLOCK HOLMES

Weekly from tonight at 9 o'clock on ITV



Professor Rabbani: Head of resistance group.

Russia steps up war in Afghanistan

By Edward Mortimer, Paris

Soviet strategy in Afghanistan has changed radically since President Konstantin Chernenko came to power two months ago, according to the leader of one of the main Afghan resistance groups, Professor Burhanuddin Rabbani.

There has been a spectacular increase in the number of Soviet troops in the country, Mr Rabbani told *The Times* here yesterday. "We think the number is now above 200,000 he said, compared to 130,000 at most 140,000 in the lifetime of President Andropov.

This information came from "people who work with us," he said, "inside the army of the pro-Soviet Kabul Government, he said.

In Mr Andropov's time, the President added, the war had been "no less murderous", but the emphasis had been on infiltration of the resistance forces. Now the Russians were intensifying their assaults on villages and towns and attacking on several fronts at once.

Describing the present Soviet policy as "genocide", Mr Rabbani suggested two motives: "to sow terror among the civilian population if they help the resistance and oblige them to flee the country, and to improve the very low morale of their soldiers".

He believed that Soviet generals in Afghanistan had demanded an increase in the number of troops, just as their American counterparts had

Afghanistan, said the Russians were now using ground-to-ground missiles up to six metres long, whereas previously none had been more than two metres. For the first time, too, they had brought in small tanks which could be ferried by helicopter to attack positions high up in the mountains.

But the resistance was fighting back, he said. In one recent battle in Badakhshan (north-eastern Afghanistan) three helicopters had been shot down, 90 Soviet soldiers killed and five taken prisoner.

By contrast losses among resistance fighters were small, but there were many civilian casualties. Between 300 and 400 civilians had been killed in recent bombing raids on Laghman.

Teachers' conference vote on flat-rate pay claim challenged by executive

The National Union of Teachers' annual conference in Blackpool adjourned in confusion last night after delegates voted to overturn the union's pay policy of 15 years and put in a claim next year for a flat rate increase.

The decision, however, may stand for only 12 hours, because executive members immediately called for a vote among the 1,800 delegates to cancel the decision. They said that it would mean the union reducing its pay claim by at least half next year.

The decision of that vote will not be known until this morning, but even if it is cancelled delegates could still push through a commitment to put in a flat rate claim.

The heated debate was precipitated by an amendment to an executive motion from Bradford delegates, which called for a flat rate increase which would restore the purchasing power of teachers' pay to 1974 levels.

The executive, surprised by the amendment being convincingly backed by delegates, many of them badly off young teachers, immediately drew attention to the second half of the amendment.

The union has long campaigned for pay on the basis of comparability at the same level as the Houghton Commission awarded in 1974, which this year enabled a claim of 31 per cent to be made.

Mr Douglas McAvoy said that a claim based on purchasing power this year would have been 14.5 per cent.

The amendment calling for a

From Colin Hughes, Blackpool

flat rate increase was passed after rousing speeches from mainly young delegates. Miss Felicity Dowling, of Liverpool, called the vote a "major step forward for the union". She kept a family on take home pay of little over £100 a week, and called the executive attempt to cancel the flat rate amendment a cynical trick.

After the conference session, Mr McAvoy accepted that the flat rate had won a clear majority in the conference, but he was not convinced that most members would support it.

It showed the anger of young teachers at their pay levels, he said, but he insisted that yesterday's policy change would mean teachers abandoning their most important gauge in assessing the salaries they deserved.

If the union does decide today to put in a flat rate claim next year executive members fear that it would divide them from other teaching unions. Although such a claim would improve the earnings of low paid teachers, it would not have the support of unions which represent higher paid teachers.

Nearly 70% of members are on the two lowest pay scales, and the union has a majority on the teachers' panel in pay talks.

In his address to the conference, Mr Fred Jarvis, the union's general secretary, said that education would be the service worst affected by rate capping and he urged teachers to join the fight to prevent the proposed legislation.

"The teaching profession and the education of this country stand in greater danger now

than at any time in post war history", Mr Jarvis said.

He took pride in teachers having so far avoided compulsory redundancies through education spending cuts, but said that rate capping posed a new and more serious threat.

The union believes that up to 22,000 jobs could be lost by rate capping, under which limits could be set on local authority expenditure. With 62 per cent of local council spending being on education, around £9,500m, education was most at risk, he said.

Mr Jarvis said that the campaign against rate capping would succeed, not by calling industrial action or all-out strikes to bring down the Government, but by appealing to reason and seeking to change attitudes.

"There must be no under-estimating by teachers, or by the public at large, of just how big a threat to education the Government's proposals are, or how fundamentally they will change the relationship between central and local government", he said.

The Government had already made some concessions on rate capping, and the recent government climbdown on abolition of the Inner London Education Authority showed that "even this Government" could be persuaded to change under sufficient pressure of public opinion, he said.

Mr Jarvis also attacked the "apparent total impotence" of Sir Keith Joseph, the Secretary of State for Education in failing to stand up for education.

Disruptive pupils, page 3



Curtain up: Police involved in the St James's Square siege drawing back the security screen across Charles II Street (Photograph: Jonathan Player).

The Libyan bureau crisis

Untouchable diplomatic 'bags'

By Patricia Clough

If a ten-ton truck marked Libyan People's Bureau and carrying its official seals drives out of St James's Square this week with the machine gun that killed Yvonne Fletcher among its load, there is nothing Britain could do.

For the vehicle would classify as a diplomatic bag and Mr Leon Brittan, the Home Secretary, has said that diplomatic bags leaving the bureau will not be searched.

Under the 1961 Vienna convention on diplomatic relations, a diplomatic bag is anything identified as such by visible external markings, an envelope or a railway carriage.

Britain uses bags, white canvas ones sewn by prisoners and closed with cord and metal seals. They are different sizes and are carried by Queen's messengers. But very often diplomatic bags are packages, crates or other containers.

They may not be opened or detained and convention stipulates they may contain only diplomatic documents and "articles intended for official use". But for decades they have

served throughout the world as a cover for drugs, guns, missiles, ammunition, art works, antiques and, in at least one case, a man.

They have been used to take alcohol to "dry" countries, contraceptives to the Irish Republic, a naval officer's collars from Moscow to London for searching and espionage equipment almost everywhere.

Some Arab states have made their diplomatic bags and diplomatic passports available to Arab terrorists. A Palestinian guerrilla who took part in the kidnapping of OPEC officials in Vienna in 1976 told the West German magazine *Der Spiegel* that their weapons were smuggled in the diplomatic bag of an Arab ambassador.

Pakistan authorities found 300 submachine guns, 60,000 rounds of ammunition, a radio receiver, transmitter and general training equipment in the office of an Iraqi consular affairs attaché and said it had all been shipped in as diplomatic baggage.

The cases that come to light - clearly the tip of an iceberg are often the result of chance. Customs officers noticed that

the bags carried by Signor Manlio Blais, a courier for the Italian embassy in Paris, were too heavy to lift. They contained 2,000 watches.

Two years ago a Moroccan diplomatic crate fell off a forklift truck at Harwich revealing third of a ton of cannabis. Several years earlier muffled thumping from inside an Egyptian diplomatic trunk revealed Moroccan Ben Masoud Louk, an Israeli on his way, bound, gagged and drugged, to Cairo.

The trunk, lined with leather and fitted with a chair and clamps for ankles and heads, was well worn. How many others had been transported the same way is not known.

Often carriers have diplomatic immunity, but the United States has jailed several Latin American ambassadors for smuggling drugs.

The Foreign Office says that Britain sticks to the rules with its bags and does not X-ray other countries' ones. But every state wants to know what incoming bags contain and the disappearance of Polish, Chinese and Cuban bags en route to London indicates Britain also plays this shadowy game.

Cool envoy likely to get warm welcome

By Henry Stanhope

Diplomatic Correspondent

One man who has emerged from the Anglo-Libyan crisis with an enhanced reputation is Mr Oliver Miles, British ambassador in Tripoli who is packing his bags after only four months in the job.

He has been congratulated by Mr Richard Luce, Minister of State at the Foreign Office, for his handling of the affair and is likely to have sympathetic welcome on his return.

Mr Miles, whose voice, together with that of his wife Julia, has become familiar to radio listeners in Britain during the past week, was born in London 48 years ago and educated at Ampleforth and Merton College, Oxford, where he gained a first in oriental languages (Arabic and Turkish). He was a sub-lieutenant in the Royal Navy during National Service.

He began his diplomatic career by attending the advanced Arabic course at the Middle East Centre for Arab Studies in Lebanon in 1960, and moved to Bahrain the next year to do a "floating" assignment in the Gulf area.

He has spent his career either based at the Foreign Office or as a diplomat in the Arab world and Eastern Mediterranean. He is no stranger to trouble spots,



Mr Miles: No stranger to trouble spots.

having served in Aden in 1967, but has also been posted to Jordan, Cyprus, Saudi Arabia and Aden.

He married his wife, a professor's daughter, in 1968 when she was 23, and they have three sons and a daughter.

Friends and colleagues describe him as a cool, "unflappable" and "unusually diplomatic" man, liked by journalists and well respected - qualities which do not always go together. One diplomat said: "He was the right man in the right place at the right time. It is just a pity for him that the time had to be so short."

Embassy staff pack up

From Tana de Zulueta

Tripoli

Mr Oliver Miles, Britain's Ambassador in Libya, and his wife Julia, were busy yesterday with packers in their large two-storey residence on the Tripoli seaford, a few blocks from the embassy. Mrs Miles is advertising to sell the climbing frame, trampoline, and other large items she and her family will not be taking back to Britain.

The family aims to leave on Thursday, if we find bookings, Mrs Miles said. They are leaving then because their two eldest children were planning to travel back that day to school.

It is still not clear, according to Mr Miles, whether the 40 British Embassy staff and their families will be leaving gradually on scheduled flights over the week, or whether a special British Caledonian flight will be laid on for them, perhaps on Thursday.

Packing is also under way at the British Embassy. Staff have been engaged for the past few days shredding or burning the embassy archives.

He said that he did not know whether the other 8,000 members of the British community in Libya would be staying. He says that he has advised them to make their own decision. "They know the score. But I do not think many will leave."

The impression is shared by Mr T. A. Kowalski, the manager in Tripoli of the consultant engineering firm of Rendel, Palmer and Tritton. He said that his company was one of the longest established in Libya.

Mr Kowalski, who has been here for three years is determined, at least for the time being, to stay on with his wife and two children. Of his immediate acquaintances he "knows no one who wants to leave right now."

Mr Kowalski said that the employees of his company were all asked what they wished to do after being told that the embassy was being closed. Only one employee's wife, with a small child, decided to take premature home leave immediately.

There are two British schools in Libya, one at Benghazi and another at Tripoli, with 130 pupils. It is still not clear whether the schools will open again after the Easter holidays.

Retaliation against Britain could hit Tripoli harder

By Frances Williams

Economics Correspondent

Britain's trade with Libya is almost certain to suffer now that diplomatic ties have been broken off, officials at the Department of Trade and Industry believe. But oil-dependent Libya could be the loser.

Exports to Libya from Britain last year totalled £274m, including machinery, vehicles, communications equipment, consumer goods and medical supplies. More than 80 companies have offices there. Companies which have won big Libyan contracts recently include BL, British Telecom and the Derby-based NEI International Combustion, which makes industrial boilers.

Marconi, Plessey and two smaller companies, Seismic Graphic Services and KCA Drilling, are thought to have the biggest British-owned operations in Libya.

But Libya ranks as Britain's thirty-fourth biggest trading partner and business has contracted sharply in the past two years. In 1981 Britain exported more than £500m of goods to Libya, but world recession, which affected demand for oil, and falling oil prices forced the country to cut back on its ambitious development plans.

For the companies supplying consultancy services, mostly management expertise, the consequences of retaliation could be more serious. Those firms may be earning more than £100m a year for Britain. More importantly, they employ most of the British nationals working in Libya, who find themselves in a difficult position.

The Libyan market, an observer said yesterday, is a political one and some retaliation against British companies would seem inevitable. But Libya too has much to lose.

Most immediately, the clampdown on the issue of visas to Libyan wanting to come to Britain could disrupt Libyan's international financial dealings, such as buying and selling foreign currencies, the bulk of which is thought to be transacted in London by Libyan nationals. It may be forced to

UK TRADE WITH LIBYA, £m 1983

Imports	Exports
Total 224	Total 274
Of which:	Of which:
Oil 212	Pharmaceuticals 19.5
	Other chemicals 30.5
	Vehicles 21
	Other machinery 113
	Other manufactures 73

Source: Department of Trade and Industry.

take its business to less convenient locations elsewhere or deal through intermediaries.

Libya also has to import virtually all its machinery and other capital equipment as well as a large proportion of consumer and other goods, and Britain is its third largest supplier. Italy ranks first, followed by West Germany. British imports could prove hard to replace, especially in the short run.

By contrast, Britain would scarcely notice any Libyan move to cut off oil exports worth £212m last year. Oil companies operating in Britain find it convenient and profitable to import some Libyan oil to balance refinery needs but could easily replace supplies from elsewhere. Most Libyan oil is bought on the spot market and not on contract.

Exports to Britain represent only a small proportion of Libyan oil shipments. But 99 per cent of Libya's export earnings come from oil, which, in a well-stocked world oil market, makes the country highly vulnerable to any wider boycott, which would follow threats of large-scale retaliation against Britain. Italy, West Germany and France, all EEC partners, are its biggest customers.

Falling oil earnings have pushed Libya into deficit on its balance of payments current account in the past two years, and it has borrowed abroad to help plug the gap. It could not easily tolerate any further worsening of its trade position.

Libya would also find it hard to cope without foreign management expertise and advice, especially in the oil and construction sectors, most of which comes from Europe, the United States and South Korea.

Unionists appeal to preserve SDLP

From Richard Ford

Belfast

Unionist politicians in Northern Ireland are increasingly divided over how to respond to the report from the Dublin-based New Ireland Forum due next week.

The work of constitutional nationalism will inevitably provide "loyalist" politicians with a rallying cry during the European election campaign, but behind the rhetoric there is doubt and anxiety about the future.

The growing awareness that the Social Democratic and Labour Party might be replaced by Provisional Sinn Féin, political wing of the Provisional IRA, as the majority voice of nationalism is concentrating minds within the rival Official and Democratic Unionist parties.

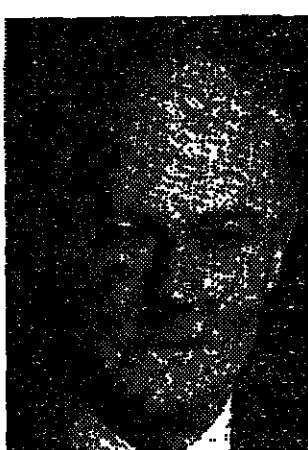
Unionist confidence has recently been shaken by events in the courts, where a retired civil servant has been accused of murdering a prison official, and several graduates and students of Queen's University, Belfast have been charged in connection with terrorist crimes.

Mr James Molyneux, leader of the Official Unionist Party, has backed an appeal from his party's general secretary for Unionists not to compound needlessly the problems facing the SDLP.

In a speech at Newcastle, Co. Down, Mr Frank Millar gave a warning that the demise of constitutional nationalism "would surely signal the beginning of the ultimate nightmare for all the people of Northern Ireland."

In a clear reference to the report of the New Ireland Forum, Mr Millar appealed to Unionists to "refrain from rhetoric of the kind which easily inflames fear and suspicions in our community."

Without naming the Rev Ian Paisley, Mr Millar said that the European election would make some see signs of sell-out and betrayal. They would do this for their own purposes, and Unionists should think long and hard before we allow ourselves to be



Mr Molyneux: Backing general secretary.

led up that particular mountain. He said that people must never drop their guard, but should beware of those who would mislead them, and resist temptation to see in every political diplomatic exchange some dark design.

Mr Millar's moderate speech, with its implied attack on the rhetoric of Mr Paisley's brash Democratic Unionist Party, reflected the Unionists' dilemma.

They know it has aroused interest in Whitehall and among all political parties at Westminster, and recognizes that outright rejection will increase hostility towards Unionism and allow opponents to portray it as intransigent.

Mr Millar said that Unionists should be "reasonable and generous" after the report and urged them to bring forward proposals for government in Northern Ireland which would afford opportunities for involvement of political parties across the religious divide.

His party favours administrative devolution developing slowly from the all-party co-operation at local government level in Northern Ireland.

Mr Molyneux said that there was a slim chance that the SDLP might be interested in an internal solution and Unionists should not "bolt the door against the SDLP."

Labour accused over selection inquiry

The Co-operative Party

conference yesterday approved an emergency resolution, expressing concern at the Labour Party national executive committee's refusal to hold an inquiry into the selection of a European candidate.

Mr Brian Key, the Co-operative sponsored MEP for South Yorkshire and a pro-marketeer, was defeated at his reselection conference earlier this month by Mr Norman West, an anti-marketeer, who was proposed by the National Union of Mineworkers.

The union was accused of packing the reselection conference, but the Labour Party national executive decided against holding an inquiry.

Mr David Wise, the Co-

operative Party secretary, said the decision seemed to indicate that there were those in the Labour Party "who are not merely lukewarm towards the Co-op, but who show a disregard for co-operators based on the view that we don't count, or perhaps that we are so loyal that we can be pushed around, or even that the ideas and ideals represented by co-operation are irrelevant and hostile to their brand of socialism."

Overseas selling prices
Austria Sch 90s 100p 100p 100p
Belgium Sch 90s 100p 100p 100p
Denmark Sch 90s 100p 100p 100p
France Sch 90s 100p 100p 100p
Germany Sch 90s 100p 100p 100p
Greece Sch 90s 100p 100p 100p
Ireland Sch 90s 100p 100p 100p
Italy Sch 90s 100p 100p 100p
Japan Sch 90s 100p 100p 100p
Netherlands Sch 90s 100p 100p 100p
Portugal Sch 90s 100p 100p 100p
Spain Sch 90s 100p 100p 100p
Sweden Sch 90s 100p 100p 100p
Switzerland Sch 90s 100p 100p 100p
UK Sch 90s 100p 100p 100p
USA Sch 90s 100p 100p 100p
Yugoslavia Sch 90s 100p 100p 100p

Welsh steel cuts 'a resignation issue'

By Ian Griffiths

Mr Alan Williams, a Labour spokesman on trade and industry, has urged Mr Nicholas Edwards, the Secretary of State for Wales to make the question of potential closures of Welsh steelworks a resignation issue.

British Steel is to submit a new corporate strategy to the Government within the next fortnight. It is likely to recommend the closure of one or two integrated plants with the loss of 15,000 jobs. The works at Ravenscraig in Scotland and Llanwern in South Wales are most at risk.

Mr Williams said: "The impact in Scotland and in Wales will be massive when seen in conjunction with the problems of pit closures. We would expect the Secretary of State for Wales to make the closure of any Welsh plants a resignation issue."

Mr George Younger, the Secretary of State for Scotland, has applied pressure in the past to keep Ravenscraig open. Although the Scottish Office would make no official response to the possible closure, the loss of 4,000 jobs would be viewed with apprehension. The miners' strike has added to Ravenscraig's problems and if it lost customers through its failure to meet production requirements, its economic viability would need to be reconsidered.

Mr Edwards has refused to

commit himself to resign if Welsh steelworks are closed, but he has been impressed in the past with the productivity and output at Llanwern and Port Talbot.

Mr William Sirs, leader of the largest steel union, is to ask for clarification of British Steel's strategy which is still to be approved by the board.

Mr Sirs, general secretary of the Iron and Steel Trades Confederation which has about 80,000 members in British Steel, said: "If this report is true, it would be the most disastrous development for the industry. At the moment we can provide only 50 per cent of the country's requirements for strip steel."

Before the miners' strike, most of the producing plants had operated in the black and would have made profits had it not been for central interest charges, he said.

Mr Williams blamed the need for the new plan on pressure from Europe. He said: "The people in Brussels will have had a major role in pressing the Government to make cutbacks in steel capacity."

"We have taken far more reductions than other European countries and it leaves the steel industry in grave doubt. If further cuts are made we will not have the people to meet our domestic needs."

Company urges strikers to defy union

From Our Correspondent

Peterborough

The Perkins diesel engine company has made an appeal to its 3,500 workers urging them to defy this union and end the strike which has halted production at its plant at Peterborough, Cambridgeshire, for the past 10 days.

A letter posted over the Easter weekend asked workers to vote at a mass meeting this morning in favour of the company's latest and final pay offer of an extra 5.25 per cent which would increase weekly pay packets by an average of £6.08. The Amalgamated Union of Engineering Workers (AUEW) is demanding 5.5 per cent.

Shop stewards are advising the workforce to reject the offer and continue the strike but a management statement said: "We hope that all the workers affected by the dispute will turn up at the meeting, that commonsense will prevail

Link urged with Europe unions to press for jobs

British trade unionists should seek help from European colleagues to put pressure on the Government. Mr David Bassett, chairman of the TUC economic committee, said yesterday.

They should be pressing nationally and internationally for coordinated action to create jobs through building roads and homes, repairing sewers and electrifying railways.

Mr Bassett, general secretary of the General Municipal, Boilermakers and Allied Trades Union, said in the union's journal: "Whatever reservations we may have, the effect is that an EEC or an OECD summit these days has a major influence on the way our economy behaves."

"Some of the most effective pressures on this Government, in fact, come from other governments. We, therefore, need to make our voice heard at these international summits

20 charged over fake £50 notes

By Mark Rosselli

A total of 20 people were charged with either passing or possessing forged £50 notes over the Bank holiday period, in what the police believe is the work of a highly-organized counterfeit gang.

It is feared that millions of pounds of forged currency have been manufactured. By choosing the Easter holiday to distribute the notes, the forgers take advantage of the closure of banks to avoid detection.

The forgers are said to be very good photocopies of genuine banknotes but can be detected because they have no metal strip running through them and have poor or non-existent watermarks.

So far, notes have been found as far afield as South Shields, Blackpool and Brighton, although the police suspect that the notes may all originate from one area.

The largest number of arrests was made at Southend, Essex, where nine people were charged.

Det Inspector Colin Edkins of Southend police said yesterday: "We are dealing with professional criminals. A lot of thought has gone into the operation. We believe the notes emanated from the East End of London, and that Southend was chosen as the nearest seaside resort to London. The criminals believed this would be an easy place to pass them."

"They picked a bank holiday weekend quite deliberately because they felt that word wouldn't get around so quickly."

The police, who have so far recovered fakes with a face value of more than £100,000, fear that many more will be found in night safes when banks reopen to day. They are appealing to the public, and shopkeepers in particular, to check all £50 banknotes.

Other people were charged by magistrates in London, Blackpool, York and South Shields.

A man appeared before Blackpool magistrates yesterday, charged with possessing forged £50 notes with a face value of £47,000. Mr Daniel Michael Staunton, aged 23, of St Johns Road, Tottenham, east London, was also charged with tendering a counterfeit £50 note (the Press Association reports).

Mr Francis Martin Brown, aged 43, of Marlow House, Melton Grove, Stoke Newington, east London, also appeared at the Blackpool court charged with using a forged £50 note and tendering a counterfeit. Both men were remanded in custody until Thursday.

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Dispute over violence causes new split in animal rights lobby

By Hugh Clayton

A dispute about the use of violence instead of political campaigning has caused another split in the animal rights movement. The new argument between the Animal Liberation Front and the British Union for the Abolition of Vivisection is one of a series that have fragmented the movement since Labour lost last year's general election.

Two leading officials of the Hunt Saboteurs' Association resigned last year because the association decided to disrupt fishing and considered such tactics as pushing anglers into rivers. Leaders of the Campaign for Country Sports met Mr Leon Brittan, the Home Secretary, before Easter to complain about the increasing level of "insults and assaults" by hunt saboteurs. The campaign represents hunting, shooting and fishing organizations.

The new split has led to the expulsion from the union's London headquarters of Mr Ronnie Lee, press officer for the front and one of its few publicly identifiable officials. The front is divided into semi-autonomous cells which specialize in "liberating" animals from laboratories and filming the con-

ditions in which they are kept and used for experiments.

Mr Lee's expulsion came after he had written in the front's latest newsletter that the organization disdained violence for tactical reasons and not because "we love the scum who brutally exploit animals". That caused immediate conflict with the union which rejects all violence, including that towards scientists who work on animals and hounds which are bred to pursue and kill.

The political climate of animal rights has been changed sharply by the Labour defeat. Labour went into the 1983 general election with the first manifesto from a major party with a commitment to abolish hunting and coursing of live prey with hounds.

Mr Lee wrote in the newsletter that animal rights campaigners should abandon "futile" political campaigning. Mr Lee allows himself to be identified in public to enable him to be available as the front's press spokesman and because he is too well known to the police to be of use as an anonymous activist.

Moderate campaigners for

better treatment of animals fear that the left-wing activism of young enthusiasts is being replaced by small but growing influence from the far right. That has already appeared in Bradford with extremist right-wing organizations encouraging animal rights campaigners to oppose Muslim method of slaughtering meat animals without first stunning them.

Mrs Margaret Manzoni, the union headquarters manager, explained the exclusion of Mr Lee to union members by saying that "bloodshed can only increase bloodshed and no one should play 'God' and decide who should live and who should die, who should be harmed and who not".

Mr Lee's remarks in the front's newsletter had left the union with "a great fear that if it should become tactically right they would be prepared to take such action".

Mr Lee replied in a written statement that violence should usually be avoided, but might sometimes be necessary to prevent a greater evil. He forecast "a state of virtual civil war within the animal rights movement in this country".

Disruption in schools increasing

The number of disruptive pupils in Britain's schools is on the increase and too many parents are failing to play their part in overcoming the problem, Mr Peter Matthews, the new president of the National Association of Schoolmasters/Union of Women Teachers, said yesterday.

He told the union's annual conference in Llandudno, north Wales: "Fortunately, we can still say that the disruptive element in our schools is in the minority."

"What is worrying is that the minority is slowly increasing and, in whatever classroom or school the disruptive pupils appear, it is the education of the majority that suffers."

Mr Matthews, headmaster of Chilton County Junior School in Ferryhill, co Durham, said that too many children knew that their parents were unable or unwilling to exercise any control over them.

He continued: "Not only do these parents do nothing themselves, they actively resent the school's attempts to impose discipline on their children. There can be no doubt that this country faces increasing problems of classroom and playground, indiscipline and juvenile crime."

A spirit of partnership between home and school would benefit everyone but too many parents were "opting out", he said.

Mr Matthews complained that Britain was still in the "dark ages" over nursery school provision compared with the other countries in Europe. "Every child should enjoy the right to nursery provision, whatever their home circumstances may be", he said.

In 1982, only 22 per cent of children aged three and four in Britain and no more than 40 per cent of those aged five were receiving nursery education, he said.

In comparison, 97 per cent of four-year-olds attend nursery schools in Belgium and France, 93 per cent in the Netherlands and 90 per cent in Luxembourg.

School milk may be part of an unhealthy diet, according to health officials in Herefordshire and Worcestershire. The county council is advising parents and teachers against EEC subsidized milk in schools.

Mrs Joan Richardson, the county council's health officer, says: "Many children take too much fat in their diet already and ordinary milk gives them extra fat. It would be better for them to be given skimmed milk."

Draught beer set to rise 2p a pint

By Derek Harris, Commercial Editor

Leading brewers are preparing to put through price increases which would raise the price of draught beer mostly by 2p a pint. The increase is likely to be shared partly by the retailing end of the trade, such as public house tenants.

But decisions on when to introduce the new prices are unlikely to be made for a few weeks because an improvement in sales which has been showing through since the beginning of the year appears in some areas to have tailed off during March.

It is not yet clear how far the 2p a pint Budget increase, together with the cold spring, is a factor producing only a short-term effect.

It looks likely that the draught price increases will start during June and will run through the summer, about a year after the last increases by most brewers.

Canned beer prices have gone up by 2p to 3p on a 16oz can already. Cider prices earlier this month also rose by 3p to 5p a pint in addition to the 3p a pint Budget increase.

The price rise in packaged beer has had no discernible effect on sales but canned and bottled beer in supermarkets is generally the cheapest and the trend is for sales through those outlets to increase.

Beer production in January and February was up 6.4 per cent spread over the two

months, compared with the same period last year, but February's increase of 10.6 per cent almost certainly reflected a jump in anticipatory buying ahead of the Budget. As a result, brewers expect the March production figures to be well down on last year.

With beer production last year barely above the level of the year before and this year's sales trend still unclear, the brewers are increasingly competing in beer's biggest growth sector, lager. In 1983, it accounted for 36 per cent of the beer market, compared with 33 per cent the year before.

Two new lagers have been announced within the past week. One is a draught version of Castlemeine XXXX, Australia's biggest selling lager, to be brewed in Britain by Allied Lyons. It goes on sale at the beginning of June in Allied's regional companies in the Midlands and Yorkshire - Ansell's, Ind Coope, Halls and Joshua Tetley. Sales will be widened to the rest of the country later. Promotion, including television advertising, will be at a level equivalent to £6m on a national campaign and claimed to be a spending level second only to the market leader, Bass's Carling Black Label.

Charrington, part of Bass, is launching in the South-east a Tennent's Pilsner draught lager.

Lower mortgage rates stimulate housing market

By Christopher Warman, Property Correspondent

The housing market is exceptionally busy. The Royal Institution of Chartered Surveyors state in their survey for England and Wales for the quarter ending in March, published today.

Lower mortgage interest rates and reduced stamp duty have accentuated the buoyancy usually experienced at this time of year, they say.

In the survey of 300 agents, nearly half report price rises of 2 per cent during the three-month period, and a further quarter announce rises of 5 per cent or more.

Confirming other surveys in the past few weeks, the institution says that a number of agents in the south of England have noticed a lack of quality family homes on the market

Christians end peace march at Lakenheath

From Pat Healy, Thetford

Three thousand members of Christian peace groups ended their Easter pilgrimage yesterday as it had begun: with a service outside an American military base.

The pilgrims, who visited 10 bases on their journey which began on Palm Sunday with a service outside Greenham Common, completed the final leg with a march in Suffolk from Mildenhall to Lakenheath.

On a hill above the base, which they were told was a "Nato conservancy area", scores of children played on huge inflatables while the service continued.

The crowd was blessed by the Rt Rev Tony Dumper, Bishop of Dudley, who said that a march, celebration and service was a good way for Christians to express their feelings about nuclear arms.

£6m express investment

High-speed rail for Gatwick

By Michael Baily, Transport Editor

Air travel through London's second airport will receive an important boost with the opening of a high-speed rail service from central London next month.

In place of the aging commuter stock which operates the 28-mile run between Gatwick airport and London Victoria, British Rail will introduce trains solely for the route with air-conditioned Inter-City stock of a much higher standard.

Journey time will be cut from 45 to 30 minutes, giving a through journey to London's West End by train and taxi or Underground of about 45 minutes: that is the same as from Heathrow by the Piccadilly Line, despite Heathrow's much closer proximity to central London.

The Gatwick Express will represent a £6m investment by British Rail and put Gatwick on a much more equal footing with Heathrow, so paving the way for further growth in its traffic from a present 13 million

passengers a year to up to 25 million after the opening of the big second terminal in 1987.

Already Gatwick traffic is growing faster than that at Heathrow (13 per cent a year against under 3 per cent), partly because it specializes in the fast growing charter holiday business, and partly because of new services to expanding destinations in the United States such as Atlanta, Houston, and Los Angeles. The Gatwick Express will reinforce that trend.

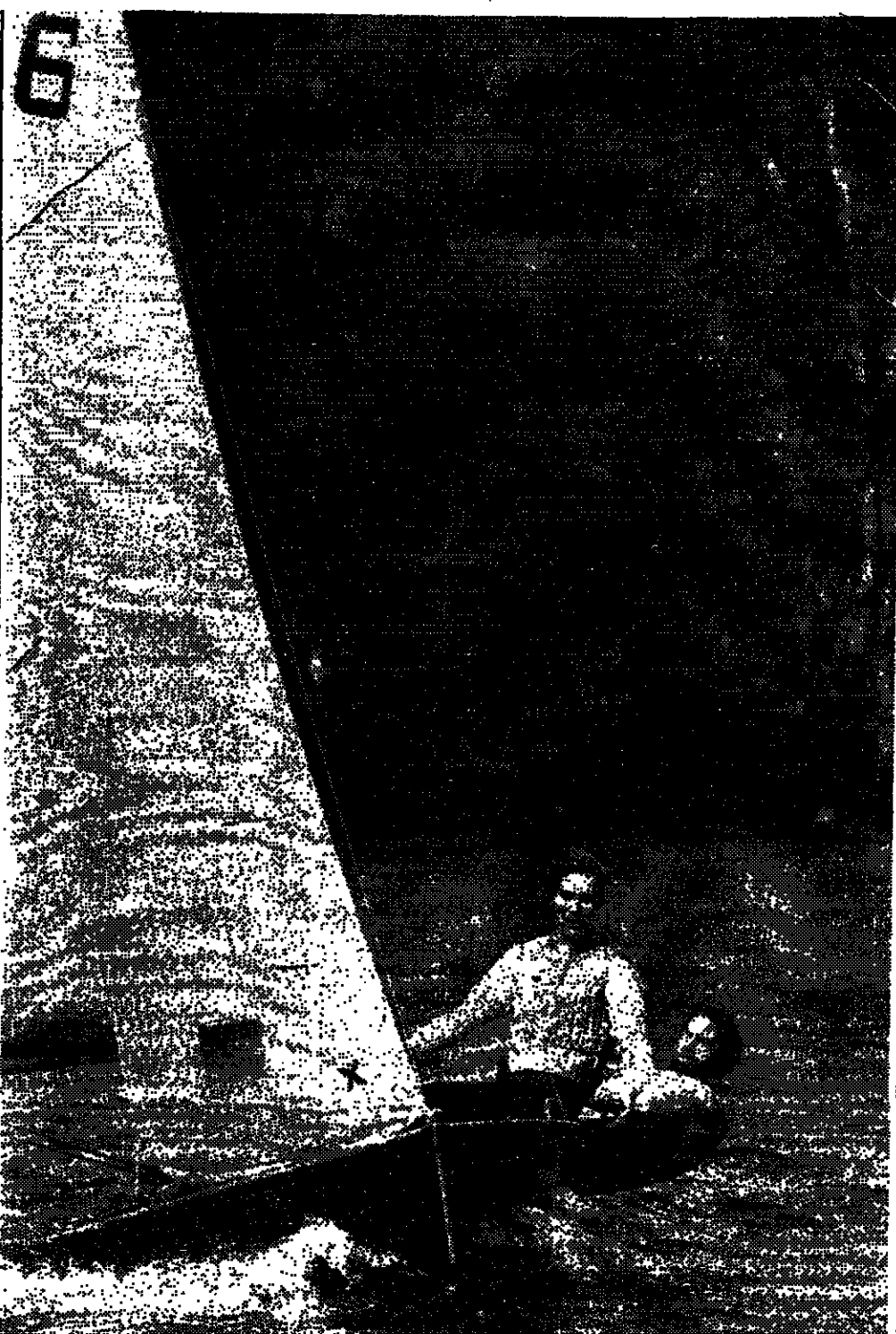
Heathrow retains its two greatest strengths, which are easy access to the whole of Greater London by car, and a huge range of flights to all parts of the world, but with the Gatwick Express there is much less to choose between them for public transport links. Heathrow has a four-minute service in the peak (eight-ten minutes off-peak) taking 47 minutes to Piccadilly Circus by stopping Underground train at £1.80 one way; Gatwick will have a 15-minute service by non-stop

train to Victoria (£5 one way) taking 30 minutes with onward connections by bus, Tube and taxi to other west end destinations.

The new service leaves London's third airport even more out of a limb however. Stansted's rail service is hourly and takes 38 minutes (£3.50 one way): the airport's station is four miles by taxi from the air terminal, and the London terminus is Liverpool Street in the City, requiring an onward journey by taxi, bus, or Tube for the West End.

Plans exist for a big improvement in Stansted's rail connection in the form of a spur line direct to the airport, and eventually a London terminal at the much more central St Pancras station.

But those are dependent on Stansted being designated London's third airport with an expansion in traffic from under 500,000 to 15 million a year: a contentious issue on which the public inquiry report is not expected until the summer.



Plain sailing: Mrs Virginia Bottomley, Conservative candidate in the Surrey south-west by-election on May 3, sailing yesterday on Frensham Ponds, in the heart of the constituency. In the general election in June, 1983, the Conservatives had a 14,351 majority. She has travelled to every corner of her constituency to meet members of the 35 party branches. Stafford by-election, page 4.

£245,000 for crash victim's ruined life

A woman teacher who received £245,000 after a crash left her unable to walk said yesterday no amount of money could compensate for her loss of mobility.

The accident had ruined three lives: hers, her husband's and son's, she said. She needed regular nursing attention and her husband and son had to do a great deal for her.

Mrs Hazel Cook, aged 44, received the money in an out-of-court settlement after the National Union of Teachers had taken up her case. She had been involved in a head-on collision with a lorry in 1978 while driving to school.

Mrs Cook, who was deputy head at the Griffith Jones Secondary School at St Clears, Dyfed, broke her neck in the accident which left her without the use of arms or legs.

She spent more than eight months in hospital including specialist spinal units.

She is now cared for by her husband, John, who teaches English at Whitland Grammar School, and her son, Lyndon, aged 19.

She said yesterday at her home, Fourwinds, Llangynin, near St Clears: "No amount of money can compensate for one's loss of mobility. I am now totally dependent on other people after being a very active person who needed 48 hours in every day."

"An accident like this reduces living to mere existence. This has ruined three lives because my husband and son have to do so much for me."

"The fight for compensation was horrendous because I was made to feel guilty although I knew I was innocent."

"My solicitors and the union have worked tirelessly from the beginning of this and without them I would have given up."

Mrs Cook said that she would consider putting some of her award towards helping research work designed to help people paralysed by spinal injuries.

30,000 TVs smuggled from Ulster

Thirty thousand colour television sets were smuggled from Northern Ireland into the Irish Republic last year in a £12m trade which has reached "epidemic proportions", according to an Irish trade union official.

Mr Jim O'Connell told the annual conference of the Irish Union of Distributive Workers and Clerks at Westport, co Mayo yesterday that the future of the republic's television industry was threatened and up to 1,500 jobs were at risk.

He said that the industry which employed 9,250 people in 1979 now employed only 4,600.

Value-added tax on television sets and other electrical goods is 35 per cent in the republic compared with 15 per cent in Northern Ireland. Mr O'Connell said that unless the Irish Government reduced the tax more jobs would be lost.

Firemen rescue trapped doe

Ten firemen rescued a doe deer after it became trapped in wire fencing in the centre of Reading, Berkshire, yesterday.

The tiny muntjac deer had wandered into Palmer Park, and had been knocked unconscious after being chased by a dog. She ended up with her head stuck and fire crews freed her.

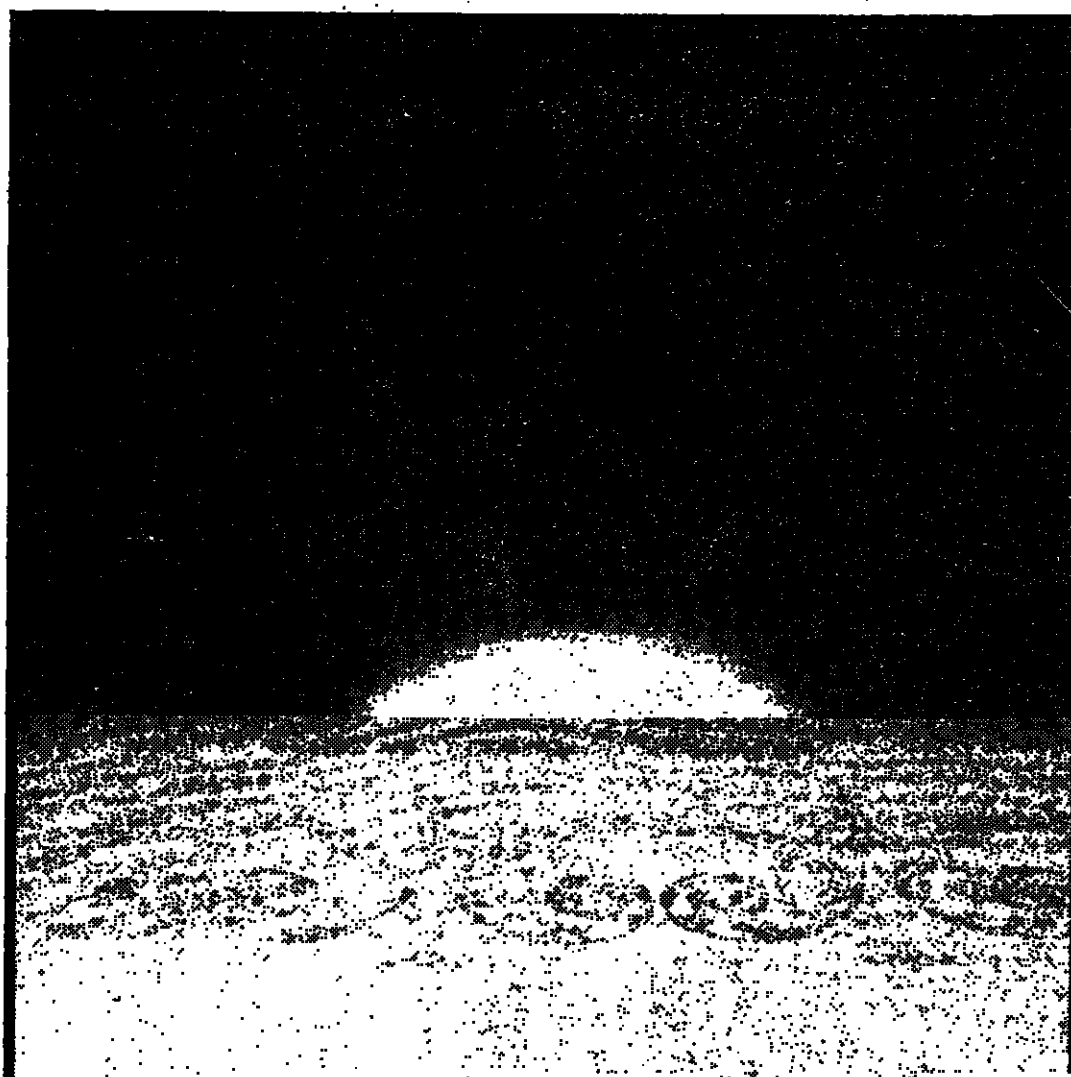
Skater recovers

Robin Cousins, the skater, was back on the ice in Bristol yesterday fully recovered from the stomach infection which had kept him out of his ice show since Thursday. The show, averaging nine performances a week, moves to Manchester next week.

Victim improves

Mr John Blundell, aged 35, an Air France employee, who was the most seriously injured victim of Friday night's bombing at Heathrow airport was progressing satisfactorily yesterday in Mount Vernon Hospital, Northwood, west London.

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Falklands commander to lead food associations

By Hugh Clayton
Major-General Sir Jeremy Moore is to be director-general of two of the leading trade associations in the food processing industry, Sir Jeremy, aged 55, was commander, United Kingdom land forces, in the Falklands conflict.

In July, just over two years after the Argentine surrender of the islands, he will become director-general of the Food Manufacturers' Federation and the Food and Drink Federation. Sir Jeremy, who found it hard to find a civilian job last year, said the search had left him with "moments of depression". He joined the Royal Marines in 1947 at the age of 18 and retired in 1982 when no job could be found for him in the service.



Major-General Sir Jeremy Moore: "Moments of depression".

Relations between the two organizations he will lead have often been strained, but the links have been revamped and Sir Jeremy will have the task of making their new relationship work.

The Food Manufacturers' Federation, representing hundreds of companies in the grocery-manufacturing business, was formed more than 30 years ago. Mr Cyril Coffin, its director-general, is a former civil servant in the Department of Trade and Industry who will retire in June.

The Food and Drink Federation is the new name for the Food and Drink Industries Council, founded 11 years ago to give trade bodies including the Food Manufacturers' Federation a more effective voice in Brussels.

Leading figures in the manufacturers' federation have wanted to absorb the council or act apart from it. The council will move to the federation's London headquarters in July and Sir Jeremy will be the leading staff member of each organization.

Stafford by-election

Labour and SDP face fight for second place

By Craig Seton

With no early indication that the Conservatives' solid general election majority of more than 14,000 or 26 per cent is likely to be overturned, Labour and Social Democratic Party candidates in the Stafford by-election face the prospect of a fight for second place.

The Conservatives, baring a significant shift of opinion, believe the worst they can suffer is a protest vote and a substantial cut in their majority.

The death of Sir Hugh Fraser, who won neighbouring Stone in 1945 and Stafford and Stone from 1950 onwards, has brought Bill Cash, aged 43, into the constituency as the Conservative candidate.

Mr Cash, a solicitor, describes himself as a firm Thatcher supporter with an independent mind. He seems content to fight on the Government's record, while attacking the Labour Party on its record over the miners' strike.

Mr Cash, who was secretary of the Bow Group's home affairs committee until 1981 and is chairman of the simpler laws group of the Centre for Policy Studies, is fighting a parliamentary election for the first time.

Mr Michael Poulter, aged 41, a Staffordshire county councillor and senior probation officer at Drake Hall prison, fought the



Mr Cash (left), the Conservative candidate, Mr Poulter, fighting again for Labour, and Mr Dunn (right) of the SDP.

seat for Labour at both the general election in 1979 and last year when Mr David Dunn, aged 37, the SDP candidate, pushed him into third place by nearly 600 votes.

Unemployment at 8 per cent in the Stafford travel-to-work area is below the national average. The constituency, a mixture of town and country, shows no urgent signs that enough of its 72,000 electors feel so hard done by since 1979 that the Conservatives can be ousted.

Mr Poulter, who will have Mr Tony Benn, Mr Roy Hattersley and probably Mr Neil Kinnock to speak for him during the campaign, has concentrated some of his early canvassing in the north of the constituency

around Madeley, which is close to some of the Staffordshire collieries being picketed by miners.

Mr Dunn, married with two children, is a lecturer in international politics at the North Staffordshire Polytechnic. He says: "We are fighting on the performance of the Tory government. People are fed up and many people have expressed reservations about the confrontation style of politics of Mrs Thatcher."

General election, June, 1983:
Fraser, Sir H. (C) 27,639
Dunn, D. (SDP) 13,362
Poulter, M. J. D. (Lab) 12,789
Caruso, J. (Gizza Job) 212
C majority 14,277

The rates rumpus: 2

Labour's radical policies to be curbed

Ministers want to stop councillors using rates to finance expensive Labour Party policies. HUGH CLAYTON, Local Government Correspondent, explains in the second of three articles, why their hopes are pinned on rate capping.

Temperatures are becoming frayed in council chambers. Lord Bellwin, minister for local government, had to reassure fellow Conservatives about Labour councillors when he spoke at his party's local government conference in March.

He gave a precise appreciation of their opponents. "They are not all nutters, extremists and loonies". One key difference between national and local politics is that in Parliament only one side exercises power. In local affairs both sides possess it in different areas. Conservatives, who hold Birmingham, have been praised by ministers for cutting costs.

Labour councillors who control large councils, such as Liverpool and Sheffield, are pursuing policies more radical than those of the last Labour government. Sheffield is a strong candidate for the first phase of rate capping, the latest device for curbing spending of local councils.

Many Conservative as well as Labour and Alliance politicians see rate capping as excessive interference in local affairs. It means fixing a legal ceiling above which capped councils will not be allowed to raise rates.

Loud complaints have led ministers to assure their supporters that the weapon is aimed solely at "nutters, extremists and loonies". Mr William Waldegrave, a parliamentary under-secretary at the Department of the Environment, explained why the Government wants curbs.

"The rating system is about meeting the cost of essential

RATES EXTREMES %			
Steepest rises	Deepest cuts		
Tot-Ely, mid-Glam 80.2	GLC	7.5	
Oggy, Mid-Glam 18.4	Birmingham	5.7	
High Peak, Derby 18.4	W Forest, London 0		
Huddersley, London 17.7	Waltham 1.8		
Lambeth, London 15.2	Harlow, London 1.6		

Source: Rating and Valuation Association survey of domestic rates.



Lord Bellwin: "Opponents are not all loonies".

local services," he wrote. "It is not intended as, or capable of being, a mechanism for the redistribution of wealth or an adjunct to clause four of the Labour Party constitution."

Mr Andy Harris, chairman of the grants subcommittee of the Labour-led Greater London Council, said this month that the council's grants to community groups, totalling more than £5m a year from his subcommittee alone, were an efficient redistribution of resources.

Some of the strongest pressure

to cut rates comes from business. Companies complain that rates are cutting ever more deeply into already inadequate profits, but that companies cannot vote out of office the councillors who impose the high rates. Meanwhile, many of those who vote pay no rates, either through relief from rates or because they live in households where the rate bill is paid by someone else.

Those complaints have aroused much sympathy, but little action, from the Government.

Businesses hoped before the general election that the burden would be eased by the abolition and replacement of rates.

When the Government decided that there was no desirable alternative, businesses pinned its hopes on abolition of the GLC and the six English metropolitan county councils, all Labour-led.

Now that authoritative and independent doubts have been raised about the capacity of abolition to produce savings in local government, all commercial hopes must be pinned on rate capping.

Tomorrow: How it will work

Whitehall brief

Training the tribes to talk to each other

By Peter Hennessy

One Wednesday morning last month, the country's permanent politicians, officially known as the permanent secretaries, gathered in the Cabinet Office for a briefing. The briefer was Mr John Mayne, a deputy secretary on loan from the Ministry of Defence, who had the delicate task of telling the top men that splendid though they all were, there was something missing in their background and that of their staff.

Mr Mayne's pitch was that senior civil servants occupy a virtual training-free zone. Compared to businessmen and members of the Armed Forces, the management training they received was negligible. Yet the span of problems they had to tackle was more immense than almost any industrialist or soldier had to face.

Mr Mayne had a plan designed to ensure that the next generation-but-one of permanent secretaries is different. And he sold it to the present ones in the Cabinet Secretary's room that Wednesday morning, having carefully lined up the most important bureaucratic power-brokers in private chat before hand.

Mr Mayne does not put it as luridly as that: decades of cultural adaptation since joining the Air Ministry from Oxford in 1956 will out. However, he did use Monty Python imagery to explain what he had done.

After receiving the Cabinet Secretary's invitation to design and run a new course for the more than 40 officials who make it each year into the under-secretary grade (third rank from the top), he sat down "with a clean sheet of paper and, after three days of my brain hurting", began to write.

After touring the business schools, the universities and talking to a wide range of trainers, he came up with what he calls some articles of faith:

● The need to manage positively, not just in a piano way which has been the style of the Civil Service in the past.

● The need to manage change in a self-confident fashion as demonstrated by full commitment once a policy had been decided by ministers.

● The course must be half insiders, half outsiders, as under-secretaries talking only to each other would be "only half an education". Private and public sectors and the trade unions will be invited to send their best and brightest for training to the Mayne school.

● The course must apply itself to solving real problems in a multidisciplinary fashion, not just to pondering arid, hypothetical case-studies.

Where will it be taught? The first two weeks will probably be for civil servants only and deal with problems peculiar to them (such as managing ministers - again, not quite how Mr Mayne put it). It will take place at the Civil Service College in Sunningdale, Berkshire.



Mr John Mayne: Flying Circus master.

Sunningdale is deemed a bit Spartan so a number of alternative venues have been arranged for the four weeks in which, as Mr Mayne puts it, the various tribes that make up the British professions will get together and try to understand each other.

The first course next January, will go to Elvetham Hall, near Fleet in Hampshire. The second and third will be at the Node in Hertfordshire and Nuneham Park, near Oxford.

Who will teach at Mayne's Flying Circus? The heads of the various tribes, it seems, whom he will have to attract with largely non-monetary inducements.

Duchy call to Scilly Isles to be self-reliant

By Our Local Government Correspondent

The Duchy of Cornwall should relax its control over the Isles of Scilly after more than 600 years of ownership, the Prince of Wales said in the forward to a report published today about improving the islands' economy.

"The islanders themselves must become more self-reliant," the prince, who is Duke of Cornwall, wrote. "The duchy will continue to help, though I personally hope that it will gradually become less prominent as the reins of leadership are handed over to the community itself."

The report recommended that the council of the Isles of Scilly, the local authority, should gradually increase its influence as the duchy's role diminished. The report was prepared by Graham Moss Associates, a planning consultancy in Richmond, London, after an 18-month investigation.

The consultants decided that the islands' economy needed widespread improvement to make the best use of its only industries of farming and tourism. The cost to the council of providing services is high, partly because of the heavy expenses of educating island children on the mainland and of disposing of the refuse of the 2,000 inhabitants and the thousands of summer visitors.

Search for tornado victims



Rescue workers search the wreckage of a supermarket in Water Valley, Mississippi, after a tornado swept through the town at the weekend, killing at least seven people. The supermarket and two adjacent buildings were destroyed and dozens of homes were damaged. At least 50 people were injured.

Tornadoes killed a total of 15 people throughout Mississippi and left a trail of damage in four other states. A tornado uprooted trees and damaged homes and businesses in the central Alabama town of Brent. Another damaged buildings and

power lines near an air base in Montgomery.

There was heavy rain in Florida, Alabama, Georgia and South Carolina.

Rain, sleet and snow fell in parts of Iowa, Illinois, Wisconsin and Minnesota. Scattered flooding was reported in Tennessee and Kentucky.

The weather has caused 21 deaths throughout the country since last week.

A small earthquake shook parts of the east coast on Sunday. No damage or injuries were reported.

Celebrations tinged with nostalgia

Military radicals mourn for their shattered illusions

In the second of three articles on the tenth anniversary of one of the most bloodless political upheavals in modern times, Richard Wigg looks at what has happened to the revolutionaries.



The evocative Portuguese word *saudade* (nostalgia) is, significantly, now being used about the 1974 revolution.

José (Zeca) Afonso, the protest singer whose number *Grândola* was used by the young army officers as a signal for starting their revolution, told me sady: "Dr Mário Soares (the Prime Minister) will be celebrating his 25th of April, but that's not at all what, perhaps ingeniously, the Armed Forces Movement (MFA) or the people had in mind then."

The illusion of a long-repressed and ignorant Portuguese people, suddenly handed power by the officers and proving able to govern themselves without aid, quickly faded, even though the Communist Party, which strove more than any other to take advantage of that popular explosion, now tries to perpetuate such a myth.

"The revolution had three aims - to bring democracy, decolonization and development as advances for society and in none of them did we achieve what we intended. Effectively we lost control from

the first day we made the revolution". Lieutenant-Colonel Vítor Alves, one of its planners and first coordinator of the MFA, told me.

"I never felt at any point of the revolution we had it under control", confessed the former deputy Prime Minister and minister in successive revolutionary governments, now a special adviser to President Eanes.

"We made the revolution at the very worst time. We were unaware of Portugal's real economic situation: back on the verge of the jungle war, Caeiro's consumer society, newly discovered by the Portuguese people, appeared prosperous."

"We naively believed the war budget could be swiftly turned around for development. But instead there was the disruption of the Portuguese returning from the colonies and demobilized soldiers, all on top of the West's oncoming depression due to successive oil crises", Colonel Alves, now retired, said.

"We had our own exiles

coming back to make their own revolution as well as foreigners insisting on giving us the revolution they could not make in their own lands. But that was all part of the feast", he added with a nostalgic smile.

The result had been a revolution too ideological and never sufficiently pragmatic. The tenth anniversary of the revolution will not be celebrated as an occasion of national unity.

Major Vasco Lourenço, chairman of the frankly nostalgic 25th of April Association, has publicly protested that none of the officers who led the revolution has been consulted by those preparing the official celebrations.

Among the household names of the revolution, General António Spínola, the first president, became a marshal in 1982, a unique distinction conferred by President Eanes.

General Vasco Gonçalves, the former pro-Communist Prime Minister, is retired, while Major Otelo Saraiva de Carvalho, darling of the Revolution, extreme left, and former commander of the Revolução, is now doing a desk job. Many believe he was reinstated - he has been the only main revolutionary figure to suffer imprisonment - to keep him quiet.

Tomorrow: Social legacy

Mitterrand slumps in opinion poll

From Alan Tiller Paris

President Mitterrand and his ministers, who slid lower in a weekend opinion poll, face another week on the labour front, despite their comfortable win in a national assembly confidence vote by 329 votes to 156 last week.

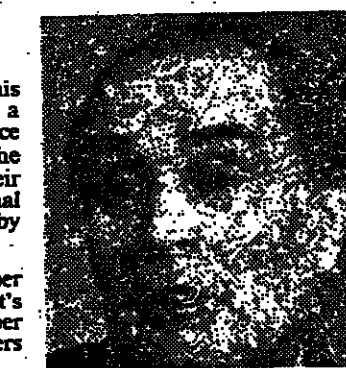
The poll shows only 40 per cent in favour of the President's conduct of affairs with 65 per cent against the Prime Ministers M Pierre Mauroy.

M Mauroy, will carry the message of the need for radical modernisation and drastic cut-backs to the Nord-Pas-de-Calais, his northern political power base, which has been hit by the socialists' cut in coal production.

M Laurent Fabius, the young Industry Minister, makes his second visit in a fortnight to Lorraine, which faces 25,000 job losses in the steel industry.

Unions plan to call a one-day stoppage for the visit. M Fabius has so far presented only general proposals for the creation on new firms but will have to disclose more details if the smouldering violence in Lorraine is to be contained.

In Paris, M Pierre Berégovoy, Minister for Social Affairs and



M Mitterrand: Another tense week

National Solidarity, will be defending the decision to reduce special taxes affecting the middle class and to pare welfare benefits. This is part of the policy to ease the financial burdens on firms and so encourage investment.

The Government is still under pressure from the CFDT union to fulfil its election promise to reduce the working week to 35 hours and so create replacement jobs.

CFDT support is vital to contain the continuing anti-government campaign of the communist CGT union which has the blessing of the Communist Party.

Green light for Lisbon spy agency

From Our Own Correspondent Lisbon

Portugal's Parliament has given approval to plans by the coalition Government of Dr Mario Soares to set up an intelligence agency to help combat all kinds of terrorism.

Ever since the 1974 revolution swept away the Pide, the ill-famed political police of the Salazar and Caetano regimes, successive Portuguese governments have been without the services of an intelligence agency. The armed forces have therefore been obliged to rely on their own military intelligence.

The opposition, with the coalition partners, the Socialists and the Social Democrats, in approving the measure last week. But the Communists voted against the project.

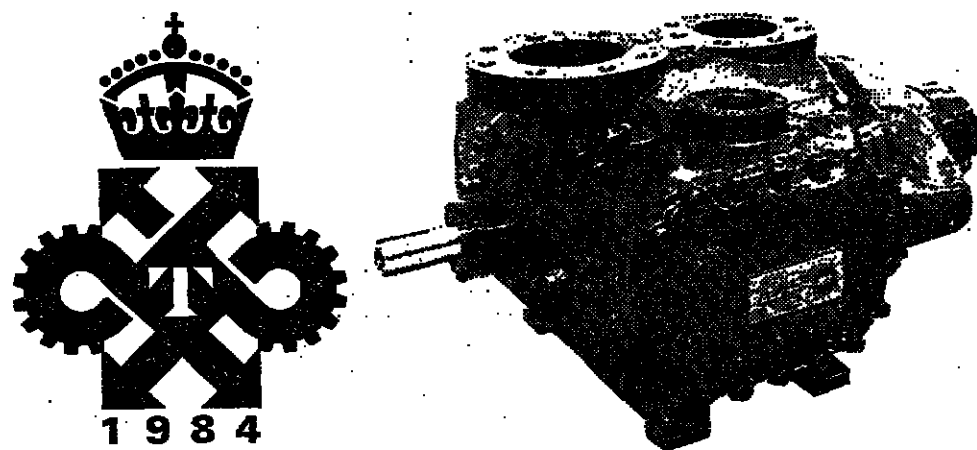
Senator Rui Machete, the Social Democrat Justice Minister, emphasized before the vote that the new agency will not be used to investigate political or union affairs - unlike the Pide or the Soviet KGB.

Portugal's need for an intelligence organization to combat growing international terrorism was illustrated dramatically last year. A prominent Palestine Liberation Organization official was assassinated 12 months ago inside the Algarve hotel where the Socialist International was holding its congress, and last July there was an Armenian attack on the Turkish Embassy here causing two deaths.

Pershing protest

Orlando, Florida (Reuter) - Six men and two women peace activists were arrested after they broke into a building housing Pershing missile equipment, damaged a launcher and poured blood over files and papers, police said.

Success on success



The Queen's Award for Technological Achievement has been awarded to APV Hall Products Limited (formerly J & E Hall Limited) for the HallScrew refrigeration compressor.

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Israel finds another leader to fill vacuum left by death of Haddad

From Robert Fisk, Marjayoun, south Lebanon

On Major General Antoine Lahd's desk, beside a miniature flagpole bearing the pennant of the Lebanese army, there stands a framed coloured photograph of the late major Saad Haddad. The major was obviously proud of his picture for he is standing erect in his blue full dress uniform with a peaked cap and eyes front, faithful to the state he served, whether it happened to be Lebanon or Israel.

Major General Lahd's perspective of the Israelis who have armed his militia and clothed his men and appointed him commander of Haddad's so-called "South Lebanon Army" is both more circumspect and more critical than his predecessor. "If the Israelis want security on their northern border - and if we can give it to them - then there is no excuse for Israel to stay," he says.

"I was against Syria's entry into Lebanon in the same way as I am now against the Israelis remaining here on Lebanese territory."

Major General Lahd, a thick-set man with swept-back silver hair, chain-smokes as he speaks, glancing up every few seconds to ensure that his words have not been misunderstood. He resigned last year - "I did not believe it was going to carry out its mission," he says - yet still assiduously wears his old uniform, complete with insignia of rank, with the approval of the Israelis.

But the authorities in Beirut regard Major General Lahd as Israel's creature, a puppet in the mould of Haddad who does Israel's bidding at Lebanon's expense. For their part, the Israelis have failed in every attempt to construct a Lebanese militia capable of protecting Israel's interests and northern border. At least one Israeli minister had publicly voiced his doubts that Major General Lahd's men could ever take over from the Israeli Army in southern Lebanon.

Major General Lahd himself



Major General Antoine Lahd: optimistic

claims that of the 2,000 men under his nominal command, many are still soldiers in the national army although no longer receiving salaries from Beirut. "They are from the people of Lebanon, of both religions, Christians and Muslims. There are 10 per cent more Christians at present but in the next couple of months it will be fifty-fifty... the South Lebanon army is going to take the place of the Israeli army. Wherever Israelis are present now, we will take their place. No one else is there to fill the vacuum."

But the Major General's optimism does not seem to be borne out by the facts. Many of his men still wear their old Phalangist uniforms with the triangular badge of the right-wing Christian militia on the shoulder. Although they are indeed Lebanese, their olive-green blouses and back webbing - even the way they hold their rifles with the strap slung round their necks instead of over their shoulders - makes them almost indistinguishable from Israeli troops.

Yet they are hardly faithful to the Israelis. Two of Major General Lahd's Shia Muslim militiamen in the southern Lebanese village of Deir Qanoun admitted to *The Times*

that they supported resistance to the Israelis and would turn a "blind eye" to anyone attacking Israeli soldiers. A Christian member of the SLA guarding the very gates of the Israeli headquarters at Kfar Falous, referred to his Israeli mentors as "pimps" and added:

Major-General Lahd himself volunteered to help the Israelis in southern Lebanon. "I presented myself to them at the Israeli office in Dbyas (outside Beirut) and there were several more meetings," he says. "Then there was an agreement between us a month before the cancellation of the May 17th accord (between Lebanon and Israel). I knew by then that the Lebanese government was going to abrogate the treaty."

According to the Major General, his militia now controls all Lebanon south of the Israeli lines, including the lower Bekaa valley down to the Israeli frontier, from the Awali river to Naqurah and even the Christian mountain town of Jezzine. In Phalangist control. "The Israelis are helping us materially - part of our material comes from Israel," he says, "and part of it we get from the money we take in taxes." The taxes, although Major-General Lahd does not say so, are illegal.

Of the guerrillas who are attacking the Israelis in southern Lebanon - and who would presumably turn their attention to the "South Lebanon Army" if the Israelis left - "It is not necessarily Shia Muslims who are doing this," he says. "There are organizations behind this resistance - and not all of them are inspired by clergymen."

Major-General Lahd's verdict on Haddad, however, is to the point. "He was a national and local hero," he says. "He tried to protect this area from Palestinian occupation. He was a courageous officer and a patriot. Now the Major General's patriotism is about to be put to the test."



Leaders at leisure: A cheerful President Reagan at his Honolulu hotel en route to China; and a casually-dressed President Chernomerkh caught in a more restful moment.

Military chief puts blame on Aquino

Manila (Reuters) - The head of the Philippines armed forces, General Fabian Ver, said yesterday that Government security forces had failed to foil a communist plot to assassinate Mr Benigno Aquino, the late opposition leader, because he refused to cooperate.

General Ver told the inquiry into the murder that Mr Aquino refused requests by senior Government officials to delay his trip home by at least a month until "the threat was neutralized".

Mr Aquino was shot at Manila airport last August on his return from three years of self-imposed exile in the United States.

The military said the assassin was a notorious criminal and communist guerrilla leader, Mr Rolando Galman, who was shot dead on the airport tarmac. "There was never any doubt that the killing was communist-inspired," General Ver said during cross-examination. "But our problem was the identity of the killer and how he planned to carry out the assassination."

● Mayor assassinated: The Mayor of Angadanan in Isabela province, Mr Jacinto Ong, has been assassinated by gunmen, the third mayor killed since the campaign for the May 14 parliamentary elections began last month (AFP reports).

Brasilia turns the screw on election waverers

From Patrick Knight, São Paulo

All airlines and bus companies travelling to Brasilia are having to provide the authorities with complete lists of passengers, as 6,000 police and soldiers step up their guard on the 10 access roads to the capital.

The congressional debate on a proposal that the next president should be elected by direct suffrage, which begins tomorrow, is now expected to continue through to the early hours of Thursday morning, when the vote will finally be taken.

Most observers conclude that the constitutional amendment to enable President João Baptista Figueiredo's successor to be chosen directly will not gain as much support as expected during the vote, and it remains to be seen if, in frustration, they will do anything else.

In a show of strength in Brasilia, 8,000 troops paraded yesterday morning in celebration of the twenty-fourth anniversary of the military command there.

Six people who had walked the 600 miles from São Paulo to Brasilia were arrested in front of the cathedral on Friday, the first victims of the emergency measures affecting the city and surrounding towns. Besides

censorship they give the Government wide powers of arrest and forbid any kind of gathering.

The big question now concerns popular reaction to the very probable rejection of the amendment, in clear defiance of growing public opinion.

The Government is calculating that its own proposals, including direct elections in 1988 and reduction of the next presidential term to four years, introduced in the teeth of opposition from hardliners in the military, will mollify public opinion.

It seems certain that further concessions are having to be made behind the scenes, in order to win the votes of some of the 60 government party deputies who were in favour of direct elections.

● BRASILIA: The release was ordered here yesterday of eight people held under the emergency measures, including the six who had walked from São Paulo (Reuters reports).

Cotton crop success story for Chad

Bongor, Chad (AP) - Western diplomats describe Chad's comeback in the world cotton market despite the civil war as an important success story for a country which has been near the bottom of most lists of the world's poorest countries.

Cotton Chad, a company owned mainly by the Government, said that final harvest figures showed the crop had more than doubled in the past two years to 150,000 tons for the 1983-84 growing season.

Because world prices have been rising, and cotton is paid for in US dollars, the crop will fetch about twice as much as it did before the southern cotton-growing region was hit by the civil war in 1979.

Mr Alain des Chabannes, director-general of Cotton Chad, said that the 1983-84 crop was worth \$100m (£70.4m), equivalent to about 60 per cent of this landlocked country's foreign exchange earnings.

More important, it means food on the table for the two million people, nearly half Chad's population, involved in cultivating, harvesting, ginning and transporting cotton.

Most attention on the war in Chad has focused on the desert north, where Libyan troops and rebels occupy almost a third of the country. Some 3,000 French soldiers have set up a defensive line along the sixteenth parallel, and President Hissène Habré's forces control most of the country to the south.

During the fighting in the south, cotton production dropped from an average of about 131,000 tons in the 1970s to 90,000 tons in 1979-80, to 85,000 in 1980-81 and to 71,000 in 1981-2. As security began to improve, it reached 102,000 in 1982-3.

"This year the rains were good, well spread out and we had both a high production rate and good quality," des Chabannes said.

The crop is exported through Cameroon. Roads from the cotton region to N'Djamena are impassable except by four-wheel-drive vehicles. The main customers are Portugal, West Germany, Spain, France and Japan.

Because of the transport problems and the war, Cotton Chad had to invest heavily in its own lorries. During the war years, many vehicles were destroyed or requisitioned by the Army. The company also has to repair the roads itself. Cotton Chad is 75 per cent owned by the Government, 19 per cent by France and 6 per cent by local banks.

The company sets a guaranteed price at the beginning of each season, raising it by about 10 per cent each year. Peasants say they will plant more cotton this year at the expense of sorghum, millet, sweet potatoes and peanuts.

Greek tempers flare in Euro poll campaign

From Mario Modiano, Athens

Tension has been so high in Greece that President Karamanlis seized the occasion of the anniversary of the last military coup on April 21, 1967 to imply an ominous comparison between the current situation and the situation before the coup.

"It has been historically proved that the same errors have always produced the same results," he said. Political antagonism had been expected in view of the election here for the European Parliament due on June 17. The campaign is in full swing, although the Government, eager to play down the poll's importance, said the Socialists would not go into action until a month before voting day.

Until then, the opposition is being denied equal campaign time on state radio and television. New Democracy, the main opposition party, has been holding campaign rallies in provincial cities, and has protested that left-wing extremists, encouraged by the Government's indifference or even connivance, were trying to disrupt meetings and intimidate its followers.

It singled out a rally in Agrinion, in west central Greece, earlier this month, where left-wingers burnt posters, damaged cars, and besieged a building.

The Government has rejected these accusations, claiming that the incidents were engineered by New Democracy with the help of its fascist allies.

Book ban revives P2 fear

From Peter Nichols, Rome

The decision by a Varese court to order the confiscation of four books about the collapse of Banco Ambrosiano, on the grounds of alleged libel, has dismayed many Italians.

The step, which appears to be without precedent, was taken at the request of legal advisers of Mr Umberto Ortolani, who has Brazilian citizenship. A warrant

is out for his arrest on charges connected with the failure of the Banco Ambrosiano.

The Communists in particular fear that the confiscation marks the return to power of the banned P2 masonic lodge.

Mr Ortolani is regarded as a close friend of Signor Licio Gelli, the head of P2 and now hiding.

Birth 'disproves theory'

Hybrid ligron bears a cub

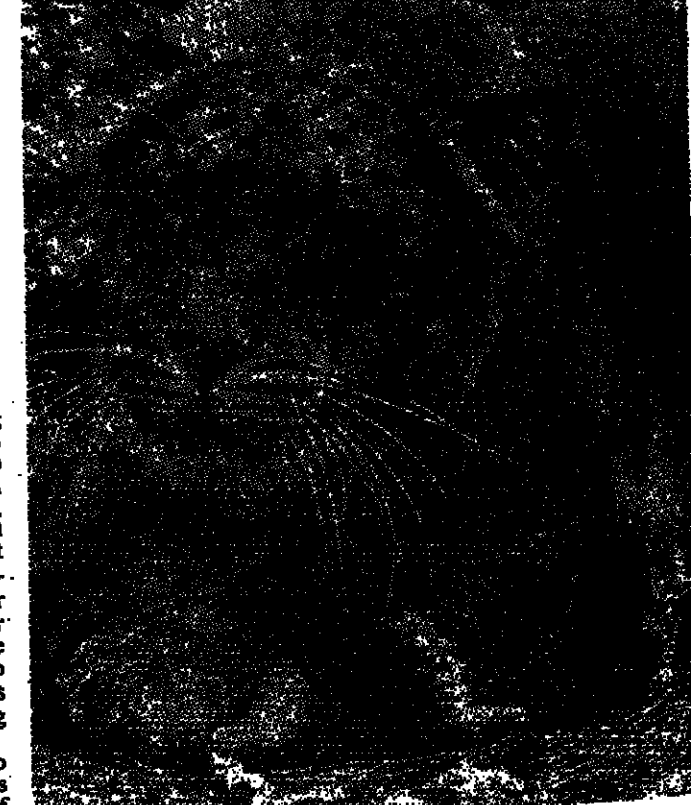
From Our Correspondent Paris

It's a girl. News of the sex of a world first in the animal world - a tigrion - was flashed to *The Times* yesterday by the Vicomte Paul de la Fausse from his tiger park at Thoiry near Paris.

The park, part of the Vicomte's extensive zoo, was the scene on April 17 of the birth of a cub to a ligron, the offspring of a lion and a tigress. The nobleman said: "This is the first time that a hybrid such as a ligron has given birth, thus disproving the theory held until now that hybrids were sterile."

Horse and donkey offspring apparently gave hybrids this sterile reputation, according to the Vicomte, who is an authority in the animal world. The arrival of the tigrion and the discovery of its sex, a secret jealously guarded until yesterday by the snarling mother ligron, Julie, drew huge Easter crowds to the zoo where the Vicomte allows his animals to roam free. So free that lions and tigresses have been mating with ease.

The Vicomte decided to go into the ligron-hybrid business because of the habit of lionesses and tigresses of killing their young or allowing them to die. The first ligrons were four cubs which resulted from the liaison of a lion, "Bichon" and two tigresses, known as "The Nasties" (Les Méchantes). They were bottle-fed by the Vicomte and his head keeper.



Like mother, almost like daughter: Julie with her cub

One of these ligrons was Julie, who has now become a mother with her own tigrion.

Speaking from his chateau, the Vicomte said: "We don't know for sure who is the father."

It could be old Bichon or Julie's half-brother, whom we call Patchwork. I am discovering that the ligron world resembles that of the Egyptian Dynasties when it comes to tracing the line."

BA facing lawsuit over food poisoning

Riyadh (AP) - Saudi Arabia's deputy Commerce Minister will file a lawsuit next week against British Airways in connection with food poisoning he says he suffered after a Concorde flight, his lawyer said here. Mr Abdul Rahman al-Zamil said he became severely ill about one hour after arriving in the United States on a BA flight from London in mid-March. He added that he had symptoms of salmonella poisoning.

About 180 passengers and crew members on 14 BA flights became ill in March after eating hours' *d'œuvres* prepared by a catering service in London. Laboratory tests revealed *Salmonella* bacteria in a glaze applied to the snacks.

High-rise heroes of Leningrad

Moscow (Reuters) - A mountaineering school has opened in Leningrad, a city as flat as a pancake, to train strong, athletic young men to carry out repairs on inaccessible high-rise buildings.

Tass said "industrial alpinism" would provide specialists to scale factory chimneys, television towers, cooling towers and monuments without using scaffolding.

Eating again

Tijuana, Mexico (AP) - Elizabeth Bouvia, the 26-year-old quadriplegic cerebral palsy victim who staged a lengthy legal battle to be allowed to die, changed her mind on Easter Sunday morning and asked for help to get better. She then ate her first solid food in seven months, according to the *San Diego Union*.

Easter victim

Nairobi (AFP) - Kenyan police arrested the parents of a young girl and one other person after interrupting a Good Friday ceremony in which the girl was about to be nailed to a cross.

Jail sackings

Madrid (Reuters) - The head and deputy head of Spain's main top-security jail were dismissed yesterday after the weekend escape of three prisoners who used mock pistols made from soap to overpower guards and steal their uniforms.

TV in a tent

Peking (Reuters) - "Nomadic herdsmen in China's remote Qinghai Province can now buy waterproof, antiseptic tents instead of the faded yak-hide yurts they have lived in for centuries," the New China news agency said. One herdsmen hopes to watch television on a set run off a wind-driven generator.

Angolan toll

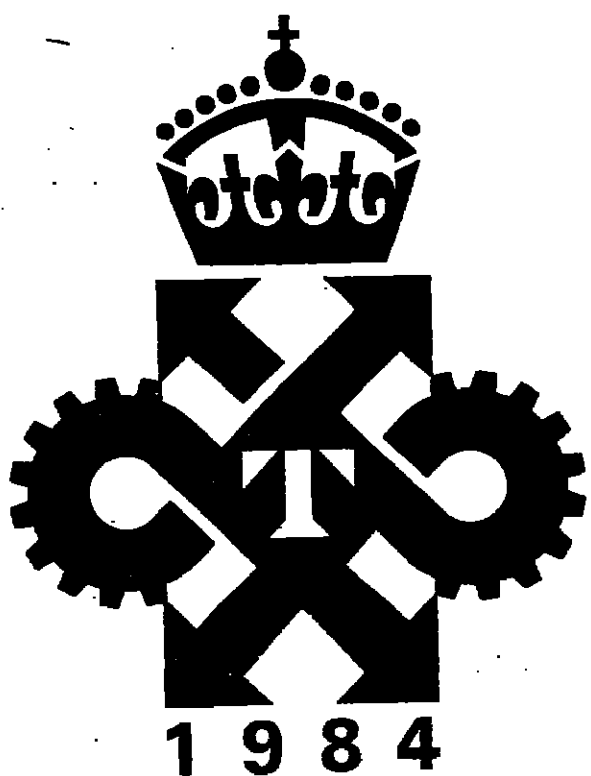
Lisbon (AFP) - The Unita bomb attack against a building housing Cuban technicians in Huambo, Angola, last week killed 24 people - 14 Cubans and 10 Angolans, Angolan radio reported. It said 30 people, Cubans and Angolans, were wounded and that six were in critical condition.

Funeral battle

Johannesburg (Reuters) - Nine people were stabbed when rival undertakers clashed at a funeral in the black township of Soweto, the *Rand Daily Mail* reported. The incident was blamed on "business jealousy".

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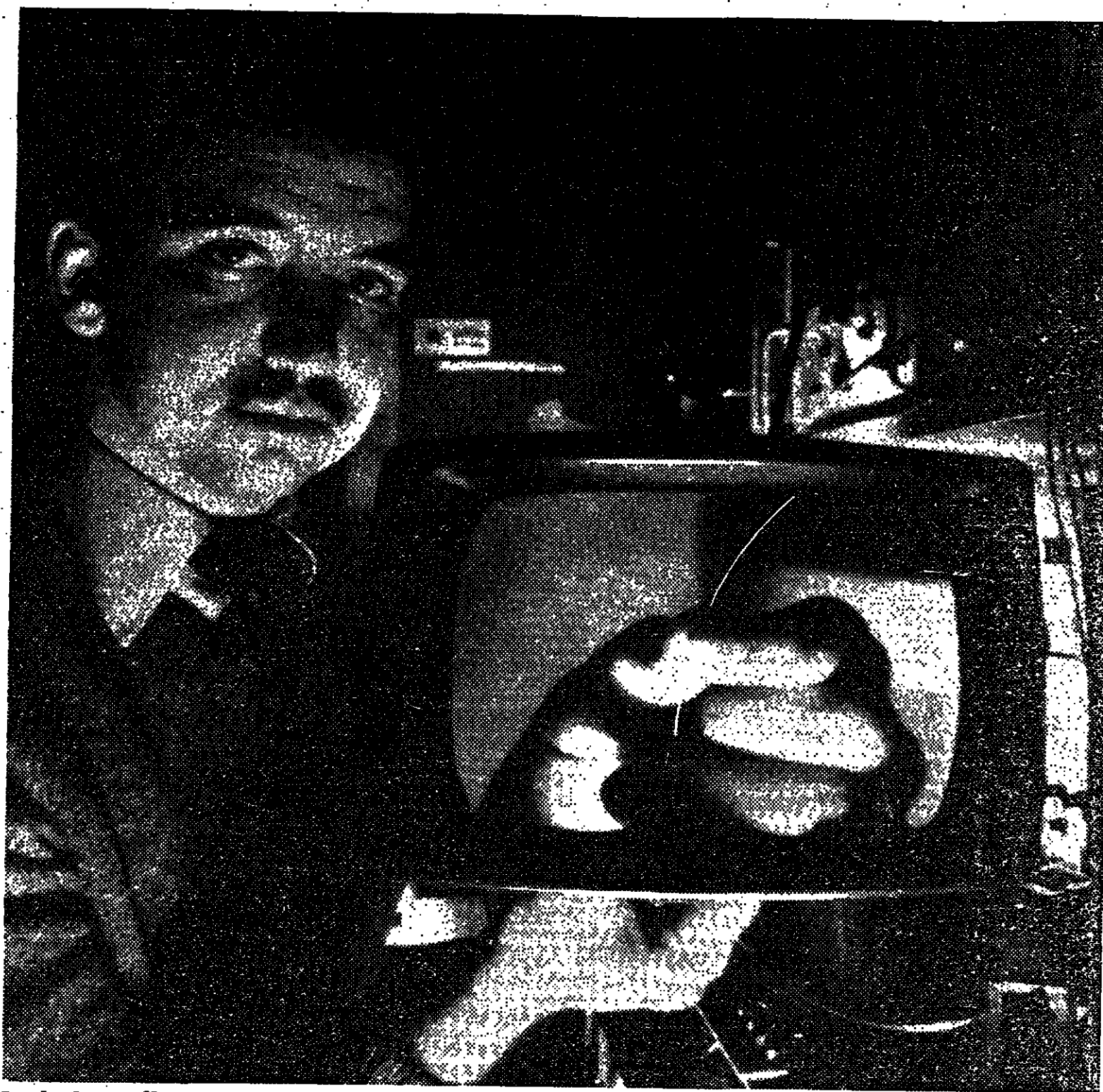
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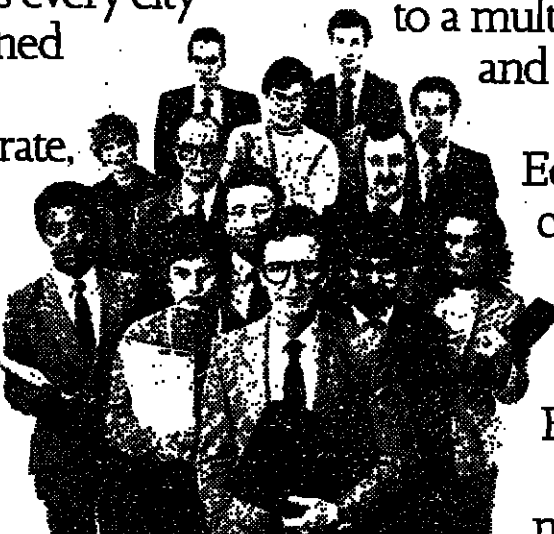
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The power behind the button

Delhi confident Punjab violence will be under control within two months

From Michael Hamlyn, Delhi

The Indian Government is convinced that it now has the measure of the Punjab terrorists, and will have the outbreak of mayhem and murder afflicting the state under control "within two months", according to Home Ministry officials.

The Home Secretary, the ministry's senior permanent official, Mr M. M. K. Wali, said yesterday: "We should be able to break their backs soon."

Mr Wali said that improved intelligence was the key to his optimism. Ministry officials estimated that the hard core of terrorists numbered between 400 and 500 people, though several hundred more were active on the periphery of the movement.

Officials are known to feel that bringing terrorism under control will help clear the way for meaningful talks with the more moderate leaders of the Sikh agitation. Whenever talks have been about to take place some spectacular terrorist incident has always intervened to disrupt them.

The ministry was unable to disclose any immediate plans for talks with leaders of the Akali Dal, the Sikh political party which is organizing the agitation. A report that Mrs Indira Gandhi, the Indian Prime Minister, had a long telephone conversation with Sant Harchand Singh Longowal, the Akali president, was denied.

The Home Minister, Mr P. C. Sethi, also denied there had been contact between the two yesterday, in the course of a long statement to the upper house of Parliament, the Rajya Sabha.

The Government was, however, at pains to point out that it was always ready for talks, and indeed that most of the points at issue had already been solved. Officials considered that



Sant Longowal: Contact with Gandhi denied.

the hardest problems to clear up were those which affected other states, particularly the vexed question of the capital city of Punjab.

The capital, Chandigarh, which was designed by the French architect Le Corbusier, is at present shared between Punjab and the neighbouring Haryana state of Haryana, which was carved out of the Greater Punjab state in 1966.

The Akali agitators want Chandigarh for Punjab alone, and the Government is inclined to let them have it, but Mr Bhajan Lal, the Haryana Chief Minister, is proving obdurate.

It is said that he is threatening to take the Haryana Congress Party out of Mrs Gandhi's party altogether if he is forced to it.

The Government is aware, officials say, that any agreement eventually made with the Akali leaders will be opposed by the militants under the inspiration of Sant Jarnail Singh Bhindranwale. They expect, however, to be able to isolate the

extremists from the mass of the Sikh and Hindu inhabitants of the state and gain complete acceptance for the deal.

They point out that even in normal times there are often many murders in Punjab for reasons of passion or quarrels over water or land. The present troubles have meant that all crimes, including the usual run of bank robberies, are turned into terrorist outrages by the participants mouthing a few political slogans on their way out.

The Government also admits that the Punjab police have become demoralized by the terrorists, and by fear of being put on the hit list. More than 40 policemen have been killed so far. "Some of them could be partisan too", a senior official admitted. "We cannot rule out that possibility."

Arrests of members of the recently-outlawed All-India Sikh Students Federation made in the past few days have not netted as many hardcore terrorists as the authorities had hoped, but officials claim that two senior leaders were killed in a recent police encounter.

The Government has, however, set its face against the possibility of entering the Golden Temple in Amritsar to root out the extremists sheltering there.

"This is not a war situation", a senior official explained. "The objective is not to exterminate the enemy by any means. The Sikhs are a vibrant and vital part of our nation, and the Government would not want to run any step which would hurt any part of this community."

● Gun battle deaths: Four people were killed yesterday in a gun battle between security forces and armed men in the Punjab border town of Ferozepore (Reuters reports).

Near-misses cast doubt on safety of US flights

From Trevor Fishlock, New York

The number of near-collisions involving airliners in the United States has increased considerably this year. Although air safety standards are very high, and scheduled flying is 30 times safer than car travel, a number of pilots, unions, controllers and safety specialists believe that safety margins are narrowing.

There are three main reasons for their concern. The air traffic control system had to be rebuilt after the sacking of 11,500 controllers who went on strike in August 1981. About 8,000 new people were recruited to work with the nucleus of controllers who did not stop work. But there are 3,000 fewer controllers than there were before the strike. Most do not have long experience, and many are over-worked.

Air traffic is back to pre-strike levels and is increasing. The 1978 deregulation of airlines, the dismantling of government controls on routes and fares, opened an era of strong competition and led to the founding of more airlines.

Competition, fare-wars and costs have put some airlines in trouble and increased pressure throughout the industry to reduce expenses. Some safety experts and airline unions allege that corners are being cut in maintenance and flight operations. The airlines say this is not true.

The industry and the Federal Aviation Administration (FAA), the government agency responsible for safety and for promoting air transport, point to the safety record which has been steadily improving in recent years.

There has been a fall in the number of fatal accidents and in the number of rule violations. Last year there were 25 airframe deaths and 310 million passengers carried.

The FAA is proud of the way the air traffic control network has been rebuilt, with fewer people handling movements. No accident has been attributed to a controller's mistake, and, under the number of controller errors - near collisions - was decreasing.

But in the first 11 weeks of this year, according to FAA records, there were 377 operational errors by controllers, a sharp increase.

The best known near-collision incident was on New Year's Day when controllers put two Pan American jumbo jets, one from London, one from New York, on collision course over the Bahamas. One of the pilots turned sharply and the aircraft missed each other by 200 yards, or about one second in time.

The FAA explains the rise in official reporting of operational errors as being partly due to better electronic monitoring which reveals small mistakes that used to go unreported.

Nevertheless, some controllers are saying that they have too much to do, and there are signs of the sort of morale problems that led to the 1981 strike.

Concerns about air traffic control and the effects of deregulation are part of a growing debate on air safety in the United States. The pilots' union thinks that fierce competition among airlines, which has made some bankrupt, is certain to lead to a reduction in safety standards.

A senior pilot wrote last year, in an article critical of the airlines' wholesale attack on labour costs: "If you want to ride on the cheap, expect cheapness. Passengers would be appalled if they knew what the new economic reality has made standard practice: minimum fuel, rest, equipment list, engines. The risks are increasing."

In pursuit of its dispute with Continental Airlines, the pilots' union is taking newspaper space to list what it claims are near-misses, and is flying and radio-breaking by the airlines. Airlines and the FAA insist that safety remains the priority.

The FAA, however, is criticized by safety watchdog groups and individuals for being responsible for safety as well as for the promotion of the industry. It is said to be too friendly to the airlines.

Crucifix conflict rumbles on

From Roger Boyes, Warsaw

displayed on the walls like a butterfly collection.

The radical Bishop Ignacy Tokarcuk has urged his priests to ensure that crucifixes are attached in such a way that they cannot easily be removed. Some priests have threatened to deny access to their churches to anybody taking down crosses in schools.

The Government position on this dispute has remained unchanged, despite the compromise reached at Mielno. The Church accepted (reluctantly) that crosses would be removed from classrooms and won the right to keep crosses in the recreation area and dormitories. All pupils could keep their personal crosses and, theoretically at least, lay them on their desks during lessons.

But the communist authorities argue that the presence of schoolroom crucifixes is an example of intolerance, that is, it discriminates against those who do not want to be Catholics. It also, they say, violates fundamental principles separating Church and state.

But underpinning these considerations is the fear that the Church is trying quietly to undermine the state's role in educating the children of Poland. Many priests, outspoken about the "godlessness" of the Marxist regime, admit as much.

● PARIS: Mr Zbigniew Kowaleski, a former leading member of the Solidarity trade union, has been granted permission to stay another month in France, after the controversial decision by the authorities to expel him by April 28 (Alan Tiller writes).

The Interior Ministry's decision that he must leave France because he had "insufficient means of subsistence" created a furore on the left.

Mr Kowaleski was on a union visit to France when martial law was declared in Poland at the end of 1982, and was granted a one-year resident's card at the beginning of last year.

The French Government has given no public indication that it suspects him of illegal activities, and considerable mystery surrounds the case.

Prisoners of conscience



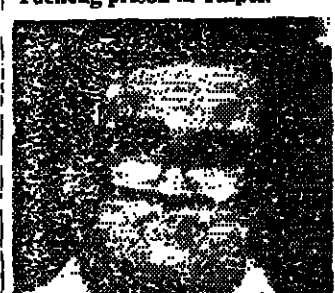
Taiwan

Wei Ting-chao

By Caroline Moorehead
A writer and editor on *Formosa*, a now banned opposition political magazine, is serving a six-year prison sentence for inciting a group of people to commit or threaten violence. Wei Ting-chao was one of 101 people arrested in Taipei in December, 1979, after a demonstration, organized by *Formosa* to celebrate the anniversary of the Universal Declaration of Human Rights, ended in violent clashes with police and with a reported 183 casualties among the security forces.

Three days after the rally, on December 13, most of *Formosa's* executives were arrested.

Wei Ting-chao was tried under criminal law. The evidence against him in court was based largely on the confessions of co-defendants, many of them later withdrawn in court. His sentence was upheld both on appeal in August, 1980, and by the Supreme Court in October that year. He is now in Tuoheng prison in Taipei.



Wei Ting-chao: conviction based on confessions.

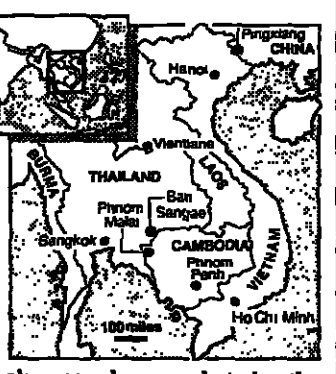
First setback for Hanoi in Cambodian battle

Bangkok (AFP) - Cambodian nationalists have inflicted the first setback in five years of guerrilla war by forcing Vietnamese troops to pull back from besieging a base after nine days, Thai army sources said yesterday.

Guerrillas of the Khmer People's National Liberation Front, headed by Mr Son Sann, took back all their positions around Lake Ampil, in Cambodia's north-west border with Thailand, late on Sunday.

The lake, located about 2 miles east of the base inside Cambodia and 155 miles east of Bangkok, is the advanced post of the Ampil base, which Vietnamese forces have been besieging since April 14.

This is the first time that Hanoi's troops - of which there are between 150,000 and 170,000 in Cambodia - have had to retreat after failing to take a resistance base. About 250 men were killed in the battle for Ampil, 200 of them Vietnamese, Thai sources said. The army also said tension had



also eased somewhat in the Thai border province of Surin, the scene of clashes on Friday between Vietnamese and Thai troops.

The supreme commander of the Thai armed forces, General Arthit Kamlang-Ek, said that on Saturday fighter aircraft backed up ground forces by attacking Vietnamese forces with rocket fire when a unit intruded into Surin. The incursion was a minor one and all Vietnamese soldiers had left Thai territory.

Andreotti defies Gromyko

From Richard Owen, Moscow

Mr Andrei Gromyko, the Soviet foreign minister, has launched a powerful attack on Nato.

During talks with Signor Giulio Andreotti, the Italian Foreign Minister yesterday, he compared a future nuclear exchange with the fall of Popei, and criticised European countries including Italy - which have accepted new American missiles on their soil. Mr Gromyko said America allies were being pushed to become party to a mad arms race.

"How many volcanoes does a thermo-nuclear bomb contain?" Mr Gromyko said.

Signor Andreotti, who leaves Moscow today after meeting President Chernenko, is the first of a series of West European foreign ministers to visit Moscow to take a closer look at the new Kremlin leadership.



Signor Andreotti: Plea to resume talks.

European leaders hope an East-West dialogue can be resumed, but Signor Andreotti is said to detect no hint of compromise from the Russians. Other ministers going to Moscow include Herr Hans-Dietrich Genscher of West

Germany next month. Sir Geoffrey Howe in July and President Mitterand of France by the end of the year.

Italian sources said Mr Gromyko had been tough and direct, accusing Nato members of irresponsibility over Cruise and Pershing missile deployments.

Signor Andreotti said Nato was a purely defensive alliance, and the deployments would not have been necessary if Russia had not made the first move. Italy now favoured continuation of the abandoned arms talks without preconditions.

Mr Gromyko also said he wanted negotiations to be repeated Moscow's view that the Geneva talks could only be resumed if the "obstacles" posed by Cruise and Pershing were removed.

Italy has so far deployed cruise 16 missiles, the same number as Britain.

THE ARTS

Galleries

Powerful emotion held in check

Robert Medley: Paintings 1928 to 1984

Museum of Modern Art, Oxford

Constructivism in Poland 1923 to 1936

Riverside Studios

Anthony Caro: Sculpture 1969-84
Serpentine

The most satisfying kind of retrospective is that in which the pattern of a career, previously sighted in little bits and pieces, suddenly becomes clear and shows itself to have a logic and coherence one would not have guessed at. Such a show is the Oxford Museum of Modern Art's tribute to Robert Medley as he approaches his eightieth year. In Oxford until May 20, after which it will go to Colchester, Bolton, York and Huddersfield (but curiously not London), the selection of paintings covers the years 1928 to 1984, and is the first substantial one-man show of this kind Medley has had since the memorable Whitechapel Art Gallery exhibition more than 20 years ago. It is easy to see why, for he is in no way a fashionable painter, easy to slot into some currently modish pigeonhole; but for this reason also it is important to be able to see a lot of his work together in order to find out what criteria it proposes for its own judgment, and how well it measures up to its own inherent standards.

The first thing one notices is the quality of the emotion in Medley's work. Enormous technical proficiency one can immediately take for granted: any painter who could produce something as confident as *Sightseers at a Circus* at the age of 23, reflecting the influence of Sickert but forbidding us to make comparisons, has nothing to fear on that score. And this and other early paintings immediately demonstrate Medley's skill at imbuing everyday happenings of no particular apparent significance with a powerful emotion which is always held in check - but sometimes, one feels, only just - by the dictates of a rigorous sense of form. It is tempting to call this combination of qualities theatrical, especially when we remember Medley's long involvement with experimental theatre during the 1930s, and note the number of paintings like *R. D. Dancing* (R.D. was Rupert Doone, Medley's life-long lover) which have a directly theatrical inspiration.

But the term "theatrical" tends to have a slightly pejorative connotation in other arts, and there is never anything superficial or histrionic about Medley's work: it seems always to be the product of deep thought as well as feeling. If the totality of the show reminds us of anyone, it would have to be Medley's just-junior Rodrigo Moynihan: they seem to have developed in a rather similar, unfashionable fashion, moving unpredictably closer to and then further from the borderline of abstraction. There has been only one point in Medley's career when he went right over, to produce the calm,



Thought as well as feeling: detail from Medley's *Dancers* (1929)

exquisitely graded geometrical abstractions of the late 1960s and early 1970s like *Pedra* (1972). But from the mid-1940s, when he returned from the war to take up painting again, the paintings gradually generalize their human figures or industrial landscapes more and more, until if it were not for the titles one would be hard put to it to recognize for sure what the figurative basis of the composition might be. The landscapes around Gravesend painted just earlier than this point, in the mid-1950s, strike a particularly happy balance, as do one or two contemporary portraits, such as that of *Elizabeth Frink* in 1956.

But, happy though that balance was, Medley has never been one to shrink from the logic of his own creative processes, either when it came to embracing complete abstraction or, a little later, when he found himself gradually returning to clear figuration. Some of his most recent work, such as the astonishingly mysterious *An Autobiographical Incident* (an almost nude figure being lifted over the heads of a crowd, rather like the later stages of a Deposition) or the splendidly interested, unperturbed pictures of punks in the street, are among his strongest and best, and make one leave the show with a satisfying feeling of uncertainty: of how many painters nearing 80 can one say that it is impossible to guess what they will do next - and that one awaits the next development with eager anticipation?

The show of Constructivism in Poland 1923 to 1936, at the Riverside Studios Gallery until May 20, possibly sounds like one of those worthy pieces of archaeological research, digging up something which could really interest only the art historian and the specialist. Not a bit of it. Take away the title

and the labels, and you are left with something which might have been made only yesterday and would look perfectly current tomorrow. Constructivism was clearly one of those international movements which, like Communism, mutated in each country that took it up into something quite distinctive and national. Recently, in the Costakis Collection, we had a chance to see how it all developed on Russian soil: a little while before, the Hungarian strain was on show at the Hayward; and now the Polish version hits us with full force in this relatively small but choice show, drawn mainly from the Muzeum Sztuki in Lodz, which is apparently the oldest museum in the world specifically devoted to new art.

But what does it actually look like? Well, there is the metal sculpture of Katarzyna Kobro, for example, which is completely abstract, playing off areas of polished metal against areas of polished metal against areas of polished metal, and making frilly shapes in the air or four-square constructions rooted to the spot for all the world as though this were by a contemporary of, say, Philip King. There are the cunning abstract paintings of Wladyslaw Strzemiński, which play with thin, close-laid stripes of complementary or subtly contrasting colours as ingeniously (and sensuously) as anything in Bridget Riley to produce the same kind of eye-deceiving effect. There are the "heliographs" of Karl Hiller, made by manipulating the photographic plate itself so that the image is almost literally drawn by the light. (The invaluable Anneli Juda Gallery introduced us to these extraordinary pieces two years ago.) And there are experimental films on the video which look suspiciously like early Polansky even though they were made around the time

of his birth. I find it difficult to imagine that anyone, however uninterested in "modern art", could go through this show without at least an occasional lift of delight or moment of pleasurable incredulity at matching the date on the label with the artwork actually before his eyes.

However, there is no accounting for taste, and I must confess myself curiously unimpressed by the Serpentine's elegantly staged retrospective Anthony Caro: Sculpture 1969-84, generously sponsored by United Technologies (until May 28). I can make this confession the more gracefully since I seem to be virtually the only person who feels that way; otherwise everyone thinks that Caro is the greatest sculptor of his generation, and British sculpture's best page of seriousness and quality abroad. So be it. There is certainly no doubt that he knows exactly what he is doing, that he has his own distinctive style (even if he has stuck to it without significant variation for rather too long), and manages consistently to create shapes (abstract despite their evocative and sometimes whimsical titles) which are interesting from all angles.

So why is it that I remain respectful but unmoved, mildly approving but sadly unimpressed? Possibly it is because I find the works, whatever their date, too redolent of the Swinging Sixties, and oddly beside the point of here and now. Or possibly I suspect that there is a lack of emotional input on the artist's part, so that we are invited to admire primarily a technical exercise. I just do not know, so I suppose you will have to go along and see for yourselves, if only so that you can tell me exactly why I am wrong.

John Russell Taylor

Concert Beethoven without bite

LSO/Abbado
Festival Hall/Radio 3

The messages of Easter and Schiller's *Ode to Joy* have their parallels, and so it was a good idea for the London Symphony Orchestra to programme Beethoven's Ninth Symphony on Sunday, in the middle of their current Beethoven cycle rather than at the end. But to juxtapose that work with anything else is to court disaster, and sure enough the partner work here, the Eighth Symphony, duly suffered. It was not because the earlier piece compares badly as music - it does not - but because the orchestra succumbed to the temptation to treat it as the curtain raiser it is not. Rhythms lacked crispness and Claudio Abbado, the conductor, failed to generate the requisite impetus.

The Ninth tends to generate its own impetus, of course; even so, this reading was not as stirring as it could have been. I suspect that Abbado may be trying too hard to cultivate a personal way with Beethoven, negating rather than illuminating the music in the process. His first movement was very much in the grand manner, the large body of strings and the doubled woodwind producing an opulence which is simply inappropriate. This is music built from chaos, from the raw materials of nature, but here it was just too civilized.

The Scherzo similarly lacked a certain bite, with the timpanist producing a rather muffled sound. Harder sticks might have helped. But it takes a considerable art

to make the slow movement flow as Abbado made it, especially given his spacious tempo. There was excellent solo work here, not least from the fourth horn, though perhaps the first violins might have made more of their dancing dotted rhythms. Even Beethoven at his most mellow is shot through with flashes of extraordinary colour.

Helped by the jubilant singing of the London Symphony Chorus, whose first *tutti* entry was simply breathtaking, the finale duly made its effect. The team of solo singers,

Elizabeth Connell, Alfredo Hodgson, Francisco Araiza and Benjamin Luxon, sang with apposite robustness, although as usual the unaccompanied quartet towards the end was an incoherent mess.

None of that mattered to this capacity audience, though. They were on their feet at the end, responding with fervour to the optimism of music that can survive even this kind of performance, over-sophisticated in conception and in many ways wanting in realization.

Stephen Pettitt

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THE OLD VIC

THE ARTS

From Berg's *Lulu* to the currently popular series *Top Cs and Tiaras*, Julia Migenes Johnson knows no musical barriers: interview by Peter Lewis

A singer prepared for all songs

The film of *Carmen* that is the current toast of Paris, with Julia Migenes Johnson playing the title role to Plácido Domingo's Don José, is expected to be seen here in the autumn. While waiting, she can tune in on Sundays to hear the new American *Carmen* singing opera numbers on Channel 4's *Top Cs and Tiaras*. Instead of the Habanera, we can see what she makes of "When I Grow Too Old to Dream" - which is a good deal.

Julia Migenes Johnson has always had a dual career, with a foot in both camps, opera and opera. Broadway and the Met. She left Broadway for Germany to sing the lead in *West Side Story*; last year she sang Berg's *Lulu* to unwonted enthusiasm at the houses at the Vienna State Opera. "I couldn't live without both kinds of music," she says. "If I was singing only opera I would feel I was missing out on a certain kind of vitality. But with opera, I would be missing the euphoria that its fusion of words, music and emotion gives you."

Top Cs and Tiaras pioneered a new, relaxed, unstuffy approach to

light music on television when it was given a couple of airings last year (recently repeated). There are no tiaras, there is not much evening dress, no old-fashioned pomp and hand-clapping - and no audience. Julia Migenes Johnson is the host, with three or four regular guests, such as Benjamin Luxon and Marilyn Horne. They let their hair down together, not in a studio or theatre but in a country house, singing round a piano to one another or wandering through the glided rooms or the grounds.

The music spans opera from Strauss and Léhar to Sigmund Romberg, with a leaning of Gershwin, Coward, Cole Porter, Ivor Novello and even Julian Slade. The first programmes won such positive and warm-hearted viewer response that the new ones will run for six Sundays. The artists help to choose their songs, miming is banished - it is shot as it is sung - and they give every appearance of really enjoying themselves.

"I am having great fun," says Johnson between rehearsals. "The

only problem is that I know the Viennese songs in German and the German words will sometimes slip out." As a star of German television specials, she won the "Golden Bambi", awarded by a public opinion poll in German-speaking countries, two years running, both as most popular entertainer and classical artist - scoring once again with both barrels.

It was against this record that she auditioned for *Carmen*. She was picked by the director, Francesco Rosi, who was seeking Spanish realism, for her dancing as well as her singing. This *Carmen* dances like an Andalusian gypsy should, after an apprenticeship with the company of Antonio Gades (who himself played Don José in the flamenco film version). Dancing was in her Puerto Rican blood but she had to give up the ambition because she was only 5 ft 2 in (her fur coats brush the floor). "I hadn't the legs, so I said, forget it. I'll sing." Filming was done at Ronda, high in the Andalusian mountains, using Spain's most ancient bull-ring. The hardest test for her was dancing the tavern

scenes while miming to the pre-recorded soundtrack. "It's very difficult to live a role and stay in synch," she says ruefully.

The film's conductor was Lorin Maazel, her old boss from the Vienna State Opera: "A brilliant man who is both extremely exacting and fun. He's relaxed and he helps. If you need to take time over a passage, or to go faster, he's right there with you every time. Of course, I could never play *Carmen* on stage. I have a light, high soprano, not a mezzo, but the low notes have been strengthened to cut through the orchestra. Nothing can make a soprano sound like a mezzo, even with all the technical tricks. The sound is my sound."

She began her career in New York as one of the "Migenes Kids", who emerged from a Manhattan basement apartment to tap-dance and sing in local shows (the other kid, her brother, became a psychologist). Her father was Puerto Rican, her mother Greek, though she has never seen either's homeland. It made her ideal casting for her first big role, Maria in *West Side Story*, when it



By the time her voice had developed, she was already a name in Germany for her light music concerts on television and her roles at the Vienna Volksoper. After that the big circuit started: Musetta in *La Bohème* in San Francisco followed by the Met, where she also did *Pagliacci* and *Mahagonny*. There was a much-acclaimed Salome for Bejart in Geneva. Then came *Lulu*: "I like *Lulu* - it's not difficult when you have a high voice. For the first time for years there was no first-night booing at the State Opera." She has such an ear that she learnt the part from tapes.

How easily can you bridge the division between her two kinds of music? "For me there's good music and bad music. That's the only divide. I use the same voice in both: the stylistic difference is mostly a matter of leeway. With opera you can take more leeway, more rubato. With Mozart there's hardly any leeway."

Married twice, she insisted that her two-year-old daughter travelled with her around Europe but she is anxious to settle down for a while at the house on Long Island. "I only spent five weeks at home last year. I've been emptying my batteries since last May. I want to spend a year going to the movies and being mother and just taking lessons. You must fulfil yourself but not at the cost of everything else." All the same, she is now back in rehearsal at the Met.

PUBLISHING

Finding the price

The single most emotive subject in publishing is the net book agreement, which has been in force since January 1, 1980, and as a result of which the trade commits itself to selling most new books at fixed prices. This is because, and increasingly, publishing is primarily about money, staying in business to be able to indulge in the activity of publishing next year, and the year after, or appearing to do well enough, as Lord Weidenfeld is trying at present, to persuade someone to pay you sufficient to buy your firm from you. If, in the struggle to survive, literature has to go by the board, then it has to go by the board.

A new subject, though, is rearing its head in the eyes where publishers meet and confide, and that is something which the Chancellor of the Exchequer recently hinted at, on all places, the Jimmy Young programme. He trailed the idea that, come the next Budget or the one thereafter, VAT might be levied on, among other commodities, new books. as is the case in certain other EEC countries. This in spite of the fact that it was applied to books in the Irish Republic for a while, only to be removed two years ago.

The 1980 net book agreement was superseded by a revised version in 1982, and that was defended at great cost to the book trade - some think in more senses than one - in the Restrictive Practices Court in 1982. The defence of the trade, which Mr Justice Buckley accepted, was that two titles are the same and therefore are not in competition with each other; if the agreement were rescinded large numbers of stockholding bookshops would go out of business to the detriment of civilized values; that fewer titles would be published; and that the retail prices of all but the most instant best-sellers would soar.

It was not suggested that your local W.H. Smith & Son would, as a consequence, begin to stock learned tomes by the thousand but that, if W.H. Smith & Son could within the law of the land undercut Heffers and Blackwells and Dillons and any high-street bookshop in the pricing of best-sellers, no one - or too few - would continue to buy from booksellers unable to afford to slash their prices. The losers, it was believed in 1982, would be the bookshops with an interest in the more-than-ephemeral titles.

This was 22 years ago. W.H. Smith & Son have recently shown a concern to operate as decent and responsible booksellers, and whatever has happened to other high-street booksellers they are mostly no longer in the high street. The price of serious books, especially non-fiction, is now so steep that it is the reason why people do not buy. (Two books, picked almost at random from a recent newspaper: *The Rise and Fall of the Political Press in Britain* by Stephen Koss, Hamish Hamilton, £25; *The Idea of Poverty* by Gertrude Himmelfarb, Faber, £20.)

Libraries, too, owing to the escalating price of new titles and the sluggish increase in their purchasing budgets, are being ever more selective if not necessarily discriminating in what they buy. Consequently publishers are printing fewer and fewer copies of non-best-sellers at higher and higher retail prices. After all, if the book is in danger of selling out, a few more copies may be printed, and the retail price raised even higher.

It is becoming increasingly illogical to justify the net book agreement. If a book costs as much as £20 it surely makes sense, both to publisher and purchaser, that if a copy may be bought for £18 then the buyer feels he or she has secured, if not exactly a bargain, at least a reasonable deal. On the other hand, it is difficult to believe that the kind of reader interested in serious non-fiction would desert his or her regular bookshop, flit from shop to shop (if another can be found), town to town, in search of a way to save a couple of pounds. Best-sellers may now be acquired so readily from book clubs or in paperback or even remainder shops that those customers who remain, for whatever reason, loyal to their local bookseller deserve a break, as does the bookseller who has stuck it out.

It is hard to accept that the arguments of the market-place which justified the retention of the net book agreement in 1962 pertain today. If a book costs £10, say, £10 people will only purchase it if they feel they have to have it, whether it is £15 or £18. If there is even the possibility that VAT may be added to the retail cost, it is all the more important that books should be allowed to find their own price.

E. J. Craddock

Television

Perfectly tailored

Where the *Wild Things* Are (BBC 2) was a most imaginative production and, unlike most opera on television, it did not give the impression of being squeezed into too small a space - the effect of some televised opera resembles that of a beehive forced into a matchbox, and can be equally excruciating. The picture-book imagery, and sometimes startling designs of Oliver Knussen's short work seemed to adapt perfectly well to the screen, and may in fact have been enhanced by it.

The story of Max's infantile journey would certainly have appealed to adults, just as the monsters would have gratified the ferocious appetites of children - and Karen Beardsley, as Max himself, added a new horror to infancy as she lynched the teddy bear and cut off the heads of the toy soldiers. The voyage to the land of the "wild things" was excellently contrived and was a small miracle of staging: overtly theatrical effects lose none of their power on television and, indeed, since they are so rarely employed, seem all the more effective. In fact *Where the Wild Things Are* seemed to be one of those works which depend more upon production values than singing (which is no doubt why it was

chosen in the first place) - and, as *Fraggle Rock* invaded Glynedebourne, even those who do not particularly care for opera must have been intrigued by the spectacle.

There are no doubt cultural anthropologists who will be able to interpret the work as some grand *rite de passage* arranged for several voices, and certainly much of its power derived from the fact that it expressed in simplified and colourful form enduring human nightmares: "Here Be Monsters" being the oldest prohibition in the world. Karen Beardsley sang as if her life depended on it - which, as far as the audience was concerned, it did.

Perfect Lives (Channel 4) was another form of "opera for television" - or, rather, it was a programme in which the narrator sang and chanted. Using modern filmic techniques, and incorporating the insistent music of Robert Ashley (who has described himself as the heir both to Frank Sinatra and John Cage), it managed to create an extraordinarily interesting surface - as close as anyone is likely to get to a pure television art. This series is not to be missed (and for once that cliché really does apply).

Peter Ackroyd

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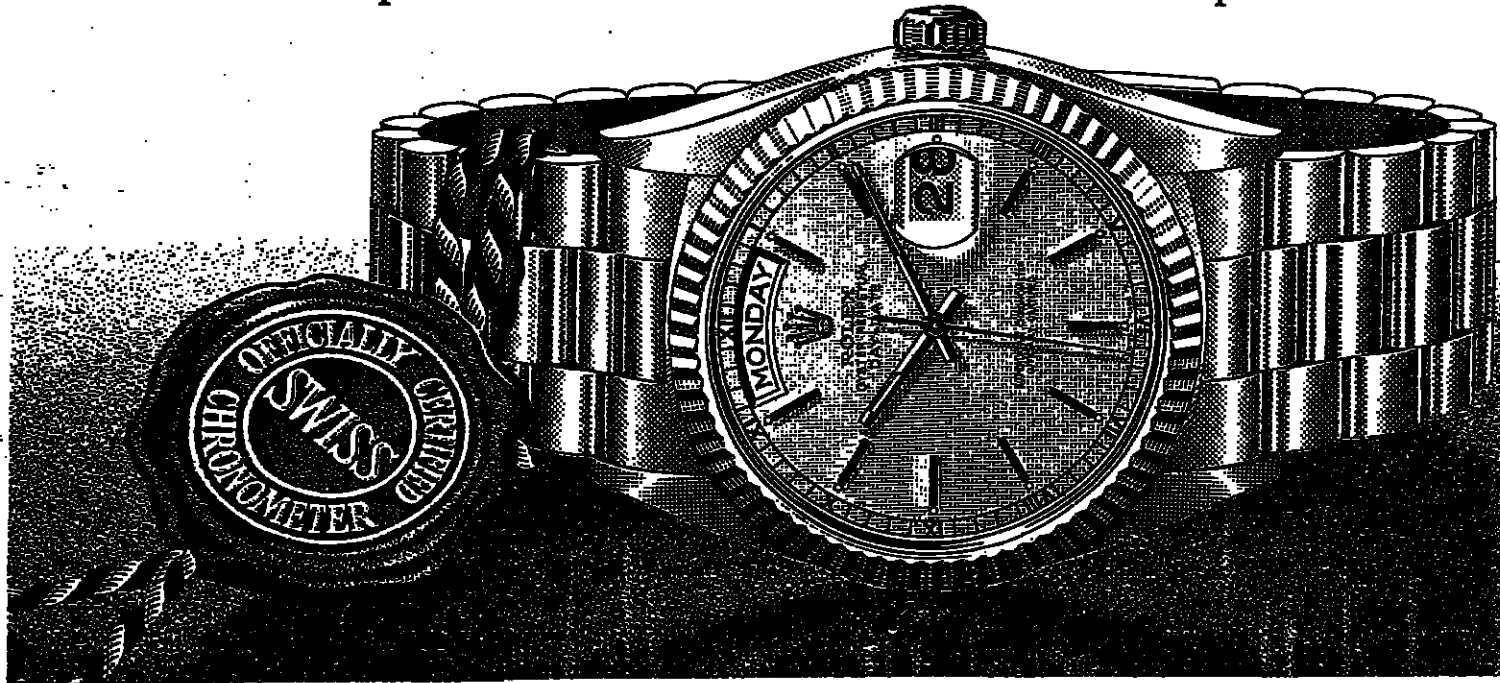
Despite many attempts it is a style no other has been able to reproduce.

Quality rather than quantity is also the principle behind the watch that Frederick Forsyth wears. A Rolex Oyster Day-Date Chronometer in 18ct. gold.

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John Boyd: royal toques, veils and bows, turbans and fez. From 91 Walton Street, Chelsea

The Easter Bonnet is no longer on parade. But a combination of street and royal style have made London the hat capital of the fashion world.

Last month it was hats off in Paris to extrovert, egg-headed Stephen Jones, a young British milliner who has now been taken up by directional French designers Jean-Paul Gaultier and Thierry Mugler. Stephen Jones put the fez back into hats, making the North African shape a motif in the pop world and a badge of style for the streetwise.

This season his most dramatic hats follow the shapes of 1950's cars and the eastern fez and turbans come up in chintz. Stephen Jones, who says that he likes to make "light-hearted hats", trained at the couture house Lachasse before setting up his Soho boudoir.

Last week, John Boyd, the gentle, self-effacing milliner to the Princess of Wales, unveiled the silk organza, the cria and the net of his new collection. The Queen Mary toque is his important shape, with tufts, plumes and a splendid corkscrew spiral sprouting from the

crown. Next season he will be producing for the first time a wholesale collection that will put Princess Diana's perky felts and straws in the shops.

The white satin boater, decorated with a ruff of black and white net, an Eastern Promise black pillbox dangling with Roman coins and an Arabic cowl in silver lamé will be exclusively for clients at his Chelsea shop.

London's mightiest milliners have traditionally been helped by a royal connection, for hats are society's soufflés, delicious concoctions served up at the best occasions.

Modern hats are fun - witty champagne saucer cocktail hats, high crowned chimney pots of Hobo-style, mannish felts for rainy days. This season's hats have in common sculptural moulding, small brims, very shallow or, by contrast, very deep crowns, and an emphasis on texture.

The many important hatters working out of London share a belief in craft as well as creation. They all have a background and training that makes the most frivolous hat a serious business.



Stephen Jones and his sculptural hat inspired by 1950's car styling. From 34 Lexington Street, W1. Photograph: Peter Aschworth

Clocks of timeless artistry

The great - and controversial - Easter Egg Hunt is officially over. With a nice sense of paschal timing, the last of the 12 caskets was unearthed on Maunday Thursday to the relief of conservationists and the sponsors, Cadbury's Chocolate.

The stubby nursery-rhyme figures, the licking red enamel flames and the gold streamers of wind blowing across the fairy-tale eggs, have inspired their makers, Garrards, to further flights of fancy.

Silversmith Alec Styles laid the gold and enamel eggs. But the Crown jeweller himself, William Summers, produced the musical minia-



tures that are giving a Fabergé feel to the Regent Street shop. A graceful gold grand piano, with elaborate enamel floral decorations, lifts its lid to show an eight-day clock. Inspired, perhaps, by the curves of a Fabergé terrestrial globe in the royal collection at Sandringham, Mr Summers has now made a gold kettle drum, complete with jewelled drumsticks. The skin swivels to reveal a gleaming, red enamel clock-face.

"It is tremendous fun for us to have a chance to make something super and to stretch the craftsmen to their limits", Mr Summers says. "In the old days, we had private patrons. Now we have heads of businesses."

The musical miniatures, which also include a violin, an enamel and diamond military drum, and a harp, have not yet found an orchestral (or royal) patron. They are on sale to any collector with thousands to spare.

It might seem difficult to compete with the ruby-eyed clockwork Fabergé elephant that the Royal Family gave to George V in 1929 as the most exquisite of adult playthings. But at least the Garrards goodies tell the time. The miniatures are part of a growing collection of objects d'art on sale alongside the magnificent jewelry.

GRAHAM SMITH



Three and half million heads each year come under the control of Graham Smith. He is design director of Kangol and his imaginative, fashion-conscious hats (pith helmets and textured rags this season) are mass market leaders. But the elegant, elongated Graham Smith also designs for Jean Muir and makes for Harrods the haute couture creations of the legendary Paulette of Paris. He believes that hats must reflect fashion in clothes, which is where he started out at the Royal College of Art and in his early career with Lanvin in Paris and Michael in London. He worked for 14 years from his own studio and can now bank in the knowledge that the Basque beret he made for Kangol is a world-wide best seller.



Graham Smith for Kangol: straw pith helmet with twisted mesh trimming on the current safari fashion trail £125 from Harvey Nichols, Knightsbridge, SW1 and Melita of Chesham. Textured weave suit by George Reeb £136 from Viva, Golders Green, September 3, Birmingham. Cream silk blouse from Viva. Jungle bead necklace from Fenwick of Bond Street. Hair by Shaun at Daniel Galvin. Make-up by Cheryl for Revlon using their Blonde collection. Photograph: Robert Mackintosh.

September 3, Birmingham. Cream silk blouse from Viva. Jungle bead necklace from Fenwick of Bond Street. Hair by Shaun at Daniel Galvin. Make-up by Cheryl for Revlon using their Blonde collection. Photograph: Robert Mackintosh.

FREDERICK FOX



"You can't hide anything on a tailored hat," says Frederick Fox, milliner to the Queen and to the society which wears the perfectly-made couture creation. Although he always has tendrils of trummings, Freddie Fox says that this is a season for starker lines, for swathing brims

and for strong, simple colours like black and white, cobalt blue and white. ("White is a difficult colour," he says. "Women don't always realise that a colour they can wear on the body they can't get away with at the face.") The fabric hat is winning by a short head over straw for race-goers.

*Frederick Fox by appointment at 87/91 New Bond Street or from 169 Sloane Street SW1.

BERNSTOCK & SPIERS

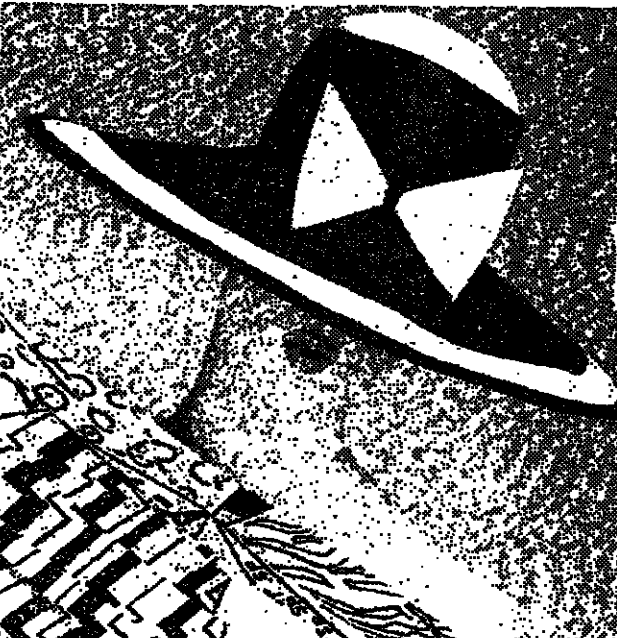


"All our hats are slightly odd," Paul Bernstock says of the colourful crownless brims, eye-catching mixtures of colour and texture and pull-on tiffers that crumple the shape of the conventional hat. Thelma Spiers is the other half of a

partnership that started at Middlesex Poly and launched the funky hat as young London style. They make for themselves, sell to Whistles and Joseph Tricot, who currently stock a version of Thelma's wrap cotton hat (left) fastened

with a kilt pin at the crown. Paul (right) wears a cotton knit cap with flock motif. Bernstock and Spiers now make other original accessories after the hats. But their strength, Paul says, is making wearable, everyday hats.

DAVID SHILLING



"My prime passion is the head and the hat, but I am actually a designer," David Shilling says of his first capsule collection of dresses. The sculptural lines he likes for his hats (conical straw hand-painted with fluorescent colours) are echoed in his five silk dresses (from £325) and especially in his bold black and white print. The hats include a versatile double-brim straw whose three component parts can be worn in different ways, 1920's clothes, and a coat-hanger hat in homage to the surrealists. Another dash of wit is his bow-tie hat, chic in black straw, shaped into a wing collar at the front.

*Hat and silk print from David Shilling, 44 Chiltern Street W.1. Make-up: Blonde by Revlon. Photograph: Alistair Hughes.

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THE TIMES DIARY

Take-off at last?

Thwarted in his third attempt to become a Tory by-election candidate, "Deep" Sproot is now poised to do for Europe what Freddie Laker did for the transatlantic route. I hear he has just been drafted in to revitalize an airline - which he refuses to identify - and has applied to the Civil Aviation Authority for a licence to fly into Europe's smaller cities and towns, the so-called third category airports.

Sproot, whose idea would be to follow the lead of former President Carter and announce a free-for-all in the skies, could scarcely be better qualified for the job. As the former Trade under-secretary responsible for aviation, he claimed to have produced an "almost miraculous turnaround" in the finances of British Airways, and relentlessly fought for its privatization. Alas Sproot, a consultant with Rothschild's, may find his latest venture as hard to realize as his political ambitions: when asked what he had learned as aviation minister, he said "how extraordinarily burdened the industry is by levies and quotas, permissions, and regulations, bans and controls, quangos and form filling...". One thing is sure: He will not model his airline on the BA he first encountered in 1981 - "a quagmire of perks and privileges."

Trap one

The unknown captive of the Libyan embassy siege was Shelley, a bearded, collie stranded in a car three doors away. Art dealers Michael and Dorothy Bach, on their way to a sale at Christie's, had left the car for only three minutes when the shots were fired. When they returned they were refused access to St James's Square and begged the police to release Shelley - with a warning that she is "devilishly fierce" with anyone in uniform. She was rescued at 11 pm and spent the night in Bow Street police cells. Mr Bach tells me his only worry now is that the car, a blue Capri, is still outside the embassy, on a meter. "I hope they don't nick me for excess time."

Defence rests

John Rae, head of Westminster School, has refused an offer by Lady Olga Maitland to become the first president of her Women and Families for Defence. He has every sympathy with her aims to counter CND, but says he wants to keep a low profile. This is understandable since he almost lost his job last year because of his wife's book about public schools, *A World Apart*. One tale related to a master's wife who had introduced an annual crop of 100 boys to the "various pleasures of sexual activity". Dr Rae gallantly sprang to his wife's defence and was later called before a special committee of the Headmasters' Conference to explain the book.

Yesterday Lady Olga refused to discuss her approach to Dr Rae, but said she must find a willing candidate before the group's annual meeting on May 12. She is at pains to prove her outfit is non-party. "Hard right Tories are not being considered," she told me. "I am very choosy." Dr Rae would have been ideal. He is a member of the SDP.

BARRY FANTONI



"I suppose he realizes it's not a football club?"

Dean on screen

After signing up footballer Kenny Dalglish for a soccer party, Channel 4 has culled yet another TV hopeful from an equally unlikely source - the theology department of Durham University. She is Dr Ann Loades, Dean of Divinity, who makes her debut on Sunday chairing a discussion on the controversial *Jesus: The Evidence*. The Monty Pythonesque reconstruction of the Scriptures continues to cause a furore, with objections lodged at the IBA by Lord Home of the Hirsel and the Earl of Perth, while Anglican, Catholic and Methodist authorities are as one in deploring its "unbalanced" and "speculative" approach. Meanwhile I am told that nuns at a convent in Berkshire are offering prayers for the souls of the misguided Channel 4 moguls.

... mayor on air

Sam King, mayor of Southwark in south London, is about to set up a Brixton-based black gospel radio station to be broadcast over a 50-mile radius - and may appoint himself as discjockey. His supporters have already raised £80,000, "and there is nothing the Pharaoh can do to stop it". The Pharaoh is his name for Leon Brittan, the Home Secretary. "The Pharaoh cannot keep us from bringing the music to the people, no more than the king of Egypt could keep God's people from the Promised Land."

PHS

Gavin Stamp on the diplomatic outrage to London architecture

His Excellency the vandal

It is an outrage that the barbaric behaviour of a foreign legion can result in the death of a British citizen and the closing off of a public square in the centre of London. Now that diplomatic relations with Libya have been severed, occupants of its embassy have been ordered by the British Government to evacuate the building by Monday. But it is an outrage that the Libyans were ever allowed to occupy a building in St James's Square in the first place: in a beautiful house in one of the capital's oldest and most interesting squares.

The so-called Libyan People's Bureau is housed in 5 St James's Square, a fine mansion rebuilt in 1748-49 by Matthew Brettingham for the second Earl of Strafford. It is, of course, a listed building, but not only was it at considerable risk of suffering the terrible fate which overtook the Iranian embassy, no British citizen could enter the building uninvited and the competent authorities had no control over alterations made to the structure. Diplomatic privilege overrides the statutory provisions of the Town and Country Planning Acts.

In many capital cities, foreign embassies are usually housed in fine and historic buildings, the consequence both of the need to be near the centre of government and the desire for prestige. Unfortunately, diplomacy is no longer a gentlemanly pursuit and the modern conduct of foreign affairs often puts these buildings at risk. The destruction of the Iranian embassy in Princes Gate by the SAS is not the only such case in London, for the Italian consulate in Belgrave was burnt down by an anti-Italian arsonist in 1980. Nor is the problem confined to London. When an anti-British mob burned down the British embassy in Merion Square, Dublin, the city lost yet another good Georgian house.

The privileges granted to foreign legations by compliant governments are not new. The general public is no longer permitted to ascend the Duke of York's column because, in the 1930s, Ribbentrop complained that its viewing platform overlooked the adjacent German embassy in Carlton House Terrace (the embassy is now elsewhere, so why can we not now go up it?). But it is only in the last decade that embassies have been threatened with mutilation or demolition, in which successive governments have passively acquiesced.

The Greater London Council's admirable Historic Buildings Division has found itself largely powerless to prevent destructive alterations to historic buildings which, if proposed by private individuals or businesses, would be illegal. It is possible to prevent enlargements by planning control - such as those the Russians are always demanding for their fortress in Kensington Palace Gardens - but quite impossible to stop internal changes.

The threat of bombs or other attacks has encouraged embassies to install elaborate security devices. Only the United States has built a new embassy expressly designed to resist tank and rocket attack; other governments try to adapt their existing premises. The result is that the facades of historic buildings are spoilt by security screens, bomb-proof doors and surveillance devices. The Belgians wish to do this to their embassy in Eaton Square, although all other Crown tenants in Belgrave are required to maintain their facades according to strict rules.

Elsewhere, the existence of embassies actually restricts the freedom of British citizens. Kensington Palace Gardens, where almost every house is occupied by a foreign power, is a particularly interesting

Outside the economic arena the Thatcher government's key words of individualism and enterprise become less audible. In policy on crime the language really jars. Instead of freedom and the rewards of self-help there is control, just deserts, and that fiercest of exercises in collective state power, incarceration.

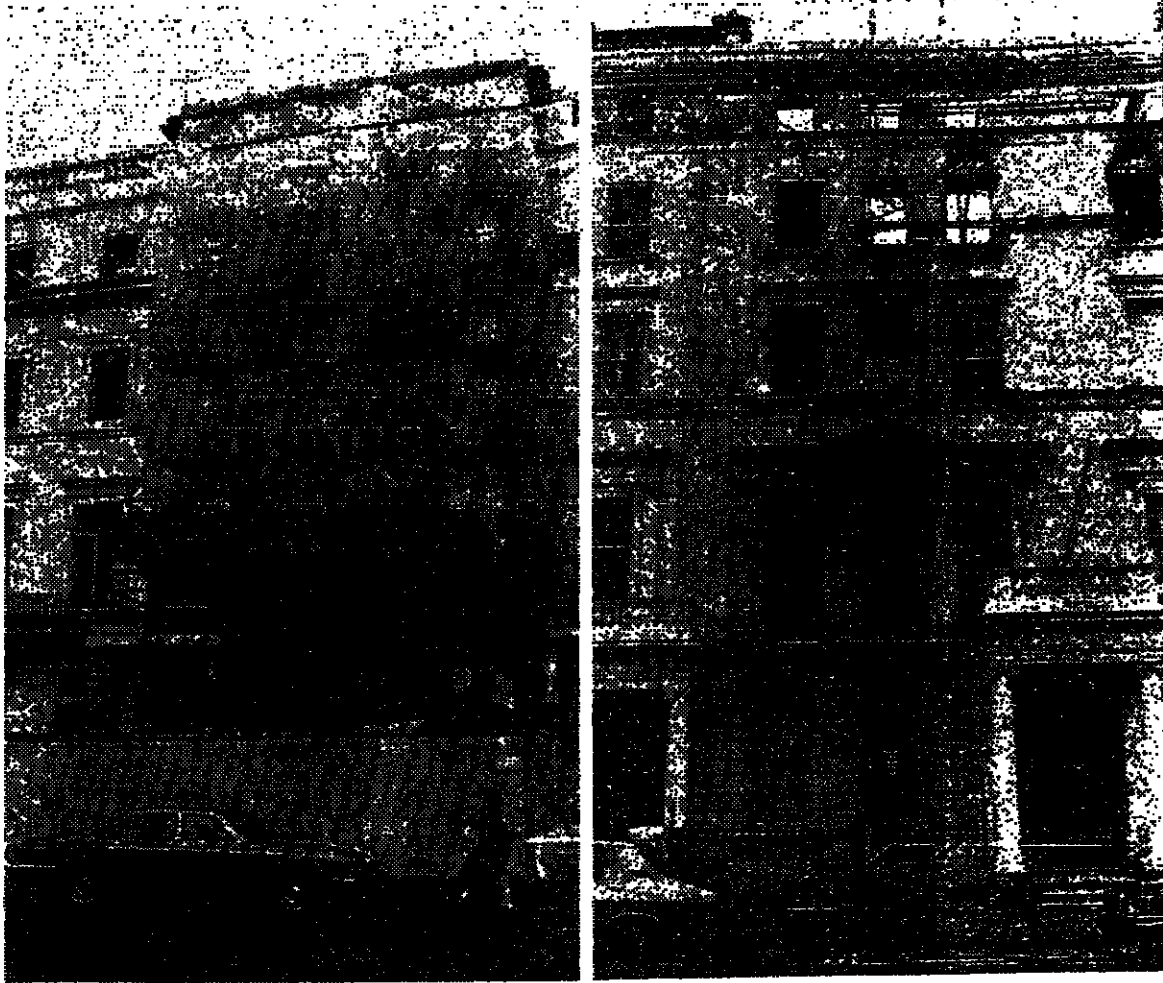
The other day Leon Brittan, the Home Secretary, extolled the tough regime in detention centres for young offenders, and it sounded, superficially, like the toughness of the choice which Mrs Thatcher says we have to make in Britain's business life. However, underneath there is a philosophical chasm between the regimentation and collective spirit of prison and the unbounded freedoms prescribed for the economy.

The fact is that penal policy has no kinship with current economic policy. For one thing it is an area where the Government has not even attempted to lead and tell the public what is good for it. Policy is made, in part, by institutional inertia.

Among the inert institutions is the Prison Officers' Association, a powerful trade union which this government, like its predecessors, has allowed a practical veto on the way prisons are organized. Another constraint is the *Daily Mail*, or rather politicians' inbred fear of the popular discontent articulated by the press if they are perceived as soft on crime.

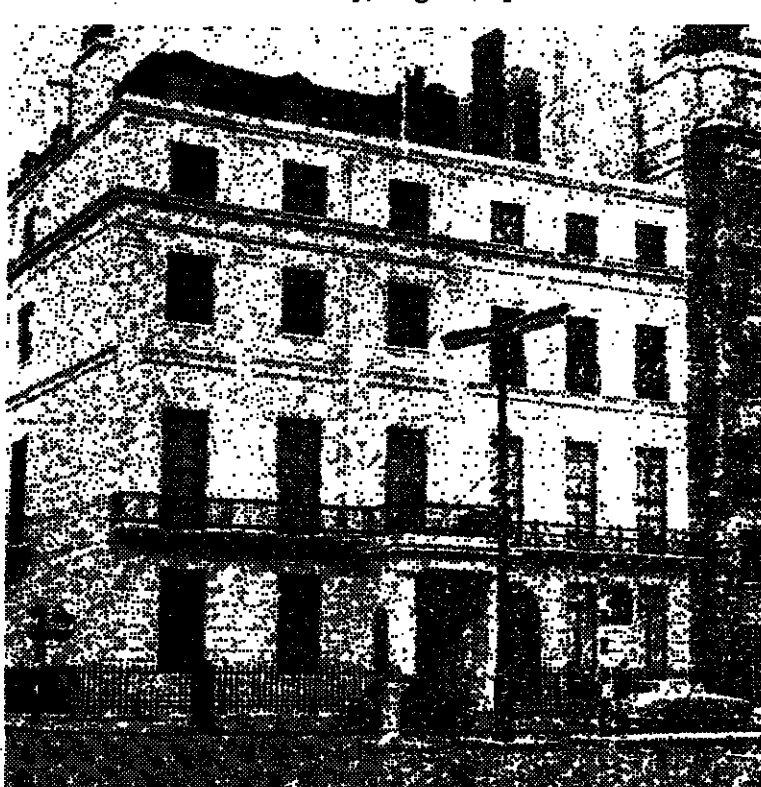
Policy-making goes on with a Home Secretaryial eye on the Conservative Party conference. The backwoodsmen have to be palliated with the appearances of severity and can, as Lord Whitelaw found, veto change. Having made an inauspicious start in office in the hanging debate last summer Brittan has since led a double life. He has alternated between appearing tough (as in his extension of the experimental "short sharp shock" regime before its effectiveness had been tested) and faintly liberal, in advocating community service orders to try to stem the increase in the prison population.

Either way, no one can accuse Brittan of radicalism or institutional iconoclasm, or of adopting the theoretical rigour which, sometimes, has marked Thatcherism elsewhere.



Gutted: East German embassy, Belgrave Square

Destroyed: Iranian embassy, Princes Gate



Destroyed: Chinese embassy, Portland Place

street for domestic architecture of the nineteenth and twentieth centuries. Any architectural enthusiast who is rash enough to try to photograph 2 Palace Green, which was Thackeray's house, or even Webb which is not an embassy, will be instantly pounced on by the police. One innocent was once invited inside No. 2, where she was searched and had her film destroyed - for Thackeray's house is now the Israeli embassy.

Other foreign governments cheerfully ignore listed building consent and spoil their buildings in an attempt to modernize them, or just out of philistine ignorance. Last year, the East Germans gutted and largely destroyed their embassy in Belgrave Square, designed by Decimus Burton, and the Canadians

have been systematically spoiling their fine Greek Revival building by the Smirke in Trafalgar Square. The Libyans altered their building and disfigured the facade with an illuminated sign. But the most scandalous case of diplomatic impunity is undoubtedly that of the Chinese, who leased 49 Portland Place, part of the original Robert and James Adam development, in the 1870s. It was in this building that Sun Yat Sen was briefly imprisoned. Its neighbour, 51 Portland Place, was acquired by the Chinese after the Second World War.

In the 1960s both buildings were empty and allowed to deteriorate so that, when diplomatic relations were restored with the People's Republic of China in the early 1970s, the Chinese informed the Foreign Office

that they intended to demolish and rebuild their embassy. Under pressure from the Foreign Office, the Environment Secretary granted conditional consent for demolition of both houses in 1973 and again in 1978, despite the opposition of both Westminster City Council and the GLC, which argued that in normal circumstances "there would be no hesitation in recommending that they should be preserved".

When, in 1981, these Adam houses - immediately opposite the headquarters of the Royal Institute of British Architects - were torn down, the conditions imposed by the Secretary of State, when permission to demolish was granted, were flagrantly flouted. Original features, such as chimneys, were thrown out into skips and not retained. A new embassy, with replica facades, is now being built by Colin Penn, a Modern Movement architect of the 1930s and sympathizer to Peking.

Diplomatic expediency thus destroyed historic buildings which had managed to survive both the Luftwaffe and commercial pressures for redevelopment. The sad fact is that today very few foreign legations can be trusted with our fine historic buildings (not least, I fear, the British abroad): they ought not to have them. One legation which it is still a pleasure to visit is that of the Indians, for India House in the Aldwych, a good work by Herbert Baker of the 1920s, is quite unspoiled.

The Indians, indeed, have the right idea, for back in New Delhi all the embassies and legations are concentrated in a distant part of the capital where they are much less of a danger to public order and safety. The same policy ought to be adopted in London. The Libyans have no business in a fine house in the centre of the West End: when they return - as no doubt eventually they will - they and the representatives of other powers should be moved elsewhere, so liberating a number of fine historic buildings from destructive and secret uses.

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A vacuum lies at the heart of Tory thinking about penal policy, argues David Walker

Prisons: must Brittan be a slave to tradition?

in public policy. Where is the equivalent for the criminal justice system of the Family Policy Group or the various welfare state reviews? Brittan came to the Home Office with no New Right intellectual baggage; for officials at Queen Anne's Gate there has been no equivalent of Sir Keith Joseph's reading list of radical right texts. Well might Home Office civil servants say, as a statement of fact: "There is no great market for principles here."

This pragmatism reflects the final exhaustion of the great liberal certainties of the 1960s about the rehabilitative potential of prison - the replacement of punishment by "treatment". Even left-of-centre criminologists have now looked at the figures often enough to agree that turning prisoners into skilled labourers or skilled counter-group participants does not cut crime or recidivism.

Faith in rehabilitation has not been replaced, certainly not by belief in the deterrent properties of imprisonment, which are dubious. What is left is an intellectual vacuum, in the universities as much as in the Home Office itself, not only about principles of sentencing but the nature and purpose of imprisonment.

In the absence of principle the criminal justice system runs on tradition - the Prison Department still clings to myths of training and fitting prisoners for society - and policy lurches, as last autumn, according to spasms of public concern about crime.

Were Brittan interested in eman-

uating himself from the tradition, where might he turn for his cutting edge? The Chicago school of free marketeers is of limited use here. Economists such as Gary Becker and Isaac Ehrlich have built elegant models on the costs and benefits of crime and punishment, but their findings are by no means unambiguous or comforting. According to Ehrlich (restating from his econometric data an old probation officer's truth), imprisonment may increase the "incentive for recidivism" because for former prisoners the balance of legitimate versus illegitimate skills and job opportunities is altered.

More promising is the movement, known in the United States as "back to justice", associated with such writers as Andrew von Hirsch and Graham Newman. Strip away the excesses of the criminal justice system, they say: let the courts, having determined guilt, give sentence according to an intelligible tariff based on the seriousness of the offence with a view only to the action committed. In other words, let the courts punish, and have done with impossible qualitative judgments about a convicted person's ability to reform himself in jail.

Behaviour in prison, von Hirsch says, should not be a matter for arbitrary executive decisions. Rule-breaking and its punishment should be a matter for the courts.

This debate, reflecting deep pessimism about the failures of justice and the prison system in the United States, has had echoes here. A strong case can be made (and has

been by Professor Terence Morris) against the power of the Parole Board, a large unaccountable agent of the state which, he says, has usurped the courts' role in determining length of sentence and making indefensible assumptions about past and future behaviour in a totalitarian atmosphere.

The British free-market right has had little to say about prisons and the justice system perhaps because, as Digby Anderson suggests, its libertarian instincts rebel against the very process of criminal conviction.

High on the reading list for the small group of self-consciously New Right thinkers about the penal system is Adam Smith's near-contemporary Jeremy Bentham. The Neo-Benthamites include Patricia Morgan, author of *Delinquent Fantasies*, a critique of the sociological callowness underpinning juvenile justice, which is said to have influenced Tory ministers while in opposition. Miss Morgan says that the law should restrict itself to an individual's criminal acts and abandon attempts (expressed notably in the juvenile courts) to interfere with background or family or leave "punishment" to social workers.

The neo-Benthamites believe in prisoners' rights, a subject currently being tested in the courts. For Miss Morgan and the others in a rule-governed society prisoners should not be subject to arbitrary jurisdiction - a view held strongly by penal liberals and also, privately, by Mr Brittan himself, although he is reluctant to admit it for fear of upsetting the Prison Officers' Association and the *Daily Mail*.

Criminology is no great shakes as an academic discipline and criminologists of a right-of-centre disposition are rare; there is no Patrick Minford equivalent among them. The result is that the present Home Secretary, like those before him, would find it very difficult (even if he wanted to) to place an intellectual distance between himself and the permanent Home Office machine, aided by a phalanx of (mainly liberal) pressure groups. Here is one slice of the public sector which looks set to survive Thatcherism completely intact.

Roger Scruton

Bigots in a class of their own

The British political process is often praised as an example of the "spirit of compromise". Those who esteem this virtue are apt to forget another upon which it depends: the refusal to compromise over the truth. Someone who turns from the facts has a motive to silence the opponent who draws attention to them. Thus begins the censoriousness and bigotry which have extinguished the spirit of compromise over half of Europe, and which may yet extinguish it here.

In the winter issue of *The Salisbury Review* an article appeared challenging the fashionable pieties concerning "multicultural education". Its author was Ray Honeyford, whose experience and education make it impossible for him to believe the nonsense put out by the Commission for Racial Equality (a government quango which survives by discovering racial conflicts where no one had previously noticed them).

Mr Honeyford is headmaster of a multicultural school in Bradford. He must confront each day the fate of white working-class children, who constitute the "ethnic minority" in a growing number of inner-city schools, and whose educational opportunities are increasingly threatened.

He must take note of the large-scale absenteeism among Asian children, whose parents frequently send them to the Indian sub-continent during term-time, in blatant disregard of the laws of England. He must encounter Asian parents who are determined to impose the values and attitudes of the Indian sub-continent on their children, and in particular to subject their daughters to restrictions which are incompatible with the practices of British education, and which the left would condemn as sexist were they not imposed by people with brown skin.

He is brought into contact with the extensive propaganda against our schools and curriculum, produced by people who despise our traditions of understatement, civilized discourse and respect for truth. He must deal with teachers who perceive the professional advantage of supporting multicultural education, and of making race into the kind of "high profile" issue that the sowers of discord would like it to be. He is asked to "respond positively" to suggestions that he give equal weight to Shakespeare and to the works of Linton Kwesi Johnson (author of the immortal *Ingen is a Bitch!*), and that he show no preference for standard English over creole or pidgin.

Mr Honeyford, with the natural instinct of the rational animal, recorded some of these experiences, drew attention to the problems presented by multicultural education, criticized the fatuity of fashionable solutions, and presented, in British fashion, a sceptical conclusion. All of which is part of the normal operation of the spirit of compromise.

Mr Honeyford's article came,

however, to the attention of the local National Union of Teachers, which saw an opportunity to display that concern for truth and evidence which has ever been the virtue of the teaching profession. It passed the following resolution, and broadcast it to the world in a "Press Statement".

"We strongly condemn the views expressed by Ray Honeyford in an article in *The Salisbury Review*, winter 1984. We feel that these views contravene the local authority policies on race relations and multicultural education. In the light of this, we urge the local authority to take immediate action and remove Mr Honeyford from his present post."

Mr Honeyford's article discusses critically the local authority's policies, therefore he contravened them; therefore he should be sacked. This totalitarian argument is clearly of wide application.

More sinister, however, is the accompanying justification. By quoting fragmented sentences out of context, by treating foregone conclusions as though they defined the principles of debate, by misrepresenting evidence and invoking a spurious consensus, the NUT statement seeks to persuade its readers that Mr Honeyford is a man of bigoted "racist" views, making "offensive remarks about ethnic minorities", advocating a kind of educational "apartheid", and wishing to "poison people's minds against a fair and decent attitude to the question of multi-ethnic education".

The attack was followed by another, in an article written for the *Bradford Telegraph and Argus*. The author (a member of the NUT) insinuates that Mr Honeyford must be a racist, since he has made no attempt to dissociate himself from another gentleman, who is it true that Mr Honeyford did neglect to dissociate himself from this other gentleman. He also neglected to dissociate himself from Adolf Hitler, John Birch, Pol Pot and Ghengis Khan.

Perhaps this was a culpable oversight. But does the author of the *Argus* article display, in his argument, a genuine concern for the truth and a genuinely educated intelligence? It is small comfort to learn that the only evidence that he ever received an education is that he too is a head teacher in Bradford.

Mr Honeyford's crime was to tell the truth as he saw it. In particular, he told the truth about Pakistani politics - something that the left will allow when justifying Soviet policy, but not when praising British institutions. For this truth he must be silenced. The ruthless bigotry of those who wish to silence him is matched by their contempt for education. For such people, the dismissal of a headmaster of proven ability is a small price to pay for his replacement by one who spouts the same ignorant rubbish as themselves.

Robin Cook

Let's make the red flag green

Three years ago I addressed the annual meeting of the Socialist meeting of the Socialist Environmental and Resources Association (SERA). My theme was the willful indifference of mainstream British politics to ecological questions in relation to the economic, problems, and their prescriptions.

I wrote up the argument and submitted it to the *New Socialist*, which provided fresh data for my thesis by ignoring it for a year and then proposing that we hack it down to those paragraphs criticizing Labour's economic strategy. As I was by then 'one of the party's economic spokesmen, I had to answer no.

Rereading it recently for publication by SERA I am struck by the extent to which the conundrum which I had posed has deepened rather than resolved itself in the intervening period. Why have British politics proved so impervious to the ecological perspective? It is not the lack of material. The present period in our history poses a full catchment of issues that invite ecological analysis.

Stripped to its essentials our present economy might serve as a paradigm of ecologists' criticism of the inherent contradiction of materialist society, turning as it does on an expanding appetite for consumer goods financed by the extraction of a contracting resource: in this case, North Sea oil.

The remorseless erosion of our countryside has been given a hungry cutting edge in the past decade, whetted by EEC grants for the destruction of hedges and woodlands. Finally, the emergence of a new economic class of the permanently unemployed - the non-working class - raises in painfully acute form the creation of social hierarchies and erosion of self-respect which thoroughgoing ecologists hold implicit in the division of labour.

Nor has there been any absence of examples from next door to demonstrate the potential resonance of an appeal to ecological principles. In France, Mitterand obtained his presidency partly through his endorsement by Brice Lalonde, the environmentalist candidate who advised the million electors who supported him in the first ballot to transfer in the second to the *Parti Socialiste*. In Germany the Greens have not only established a bridgehead in the Bundestag but have recruited Rudolf Bahke, a celebrated socialist theorist who chose to join the Greens rather than the SDP on his release from East Germany.

Bahro's choice is not so surprising, as there are areas of powerful congruence between socialist and ecological thinking. Both perceive the falsity of the distinction between private economic activity and selective responsibility, which enables the industrialists to pass on to the community diseconomies of production such as pollution. Both also see that it is only by constant expansion that corporate capitalism can survive.

Once we accept that resources are finite, the questions of distribution and social priority which are at the heart of socialism become the centre of political debate as well. Not that ecological problems are removed - or socialism achieved - by the simple device of substituting state ownership for private.

The Soviet Union has embraced the imperatives of productionism with a single-mindedness which Henry Ford would have applauded. As a result, it now suffers problems of pollution that rival those of the West. Nature has exacted a fearsome revenge in one provincial city where the level of boron pollution in the drinking water has rendered half its males impotent.

With exquisite symmetry the two superpowers have each produced, in Lake Baikal and Lake Eyre, the ultimate symbol of industrial progress - the first major dead waters in which the organic process of renewal is being overwhelmed by inorganic pollution. In the case of Lake Baikal the main polluter has been a factory producing durable cord for the tyres of military aircraft. The arms race here as elsewhere is providing the most powerful and most insidious impulse in the general assault on the environment.

In the forthright response to that arms race, the Labour Party has found one common cause with the continental Greens. But in all other respects it has managed little more than a light interest in how its concern for the exploitation of people might be widened to embrace concern at the exploitation of their environment, or how its commitment to increasing the quantity of work might accommodate an ambition to improve the quality of work.

A second period in opposition provides the party with an opportunity to widen its vision by absorbing an ecological perspective, and thus supply a missing dimension to British politics. The author is Labour MP for Livingston.



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A HEAD OF STEAM

After the almost too good to be true Easter weather it is back to business today in the Nottinghamshire coalfield and in London S.W.1. In St James's Square the blue hangings still occlude the scene, but at least there is now a clear and reasonably well assured denouement. Not so in Nottinghamshire or in the coalfields generally.

The delegate conference of the National Union of Mine-workers on Maundy Thursday was a climax of sorts in the course of the dispute. It marked the conclusion of a successful procedural manoeuvre by Mr Scargill and those who think with him on the executive. It has been their aim to bring about a national strike without recourse to a national ballot; and they have managed to change the rules in the process so that when it does suit them to ballot the membership a simple majority in favour of a strike will do. All those miners who believed, and sometimes boasted, that they had a union in which there could be no national strike without the balloted endorsement of the membership as a whole are shown to have deceived themselves or to have been deceived.

The rolling strike has rolled. Those who calculated that it would be checked by the moderate coalfields, which could force a ballot, which would go against a strike, were mistaken. Mr Scargill has proved the better judge and manipulator of the situation.

But the first chapter did not quite end with the Easter break.

Nottinghamshire still has to be whipped into line. The area's determination to declare its own mind and act upon it is bound to be affected by the latest developments. But until it succumbs to pressure, the dispute remains most conspicuously one between miner and miner, and cannot blossom into one between the NUM and the coal board or, as Mr Scargill would prefer, between the NUM (as spearhead of the working class) and the Thatcher government. And so long as the NUM cannot resolve its own differences it cannot expect much in the way of support from other unions, even supposing they have much to offer at any stage.

There is now a head of steam in the strike surprisingly strong for what looks like a natural loser. The season of the year is against it, the state of the market in fuels is against it, the state of coal stocks, the promise of no enforced redundancy, the tempting terms for voluntary redundancy, the mortgage culture, economic common sense, all are against it.

The pace of intended pit closure is no greater than it has been when Mr Scargill has twice tried and failed to get the miners on the march. Yet the strike gathers strength. It cannot all be because of the personality of Mr Ian MacGregor and the boardroom bleakness with which he puts across his salutary message, echoing the conviction that there is no alternative. Besides, he has begun, if it is not too late, to put less emphasis on closure

and contraction and more on high wages in the high productivity industry that could follow.

One has to look a little further to see what gives so unpromising a strike its buoyancy. One element is the belief that the government is assailing the power of the trade unions - a true belief in so far as the Government is assailing the abuse of that power. Here perhaps is ground on which to stand and fight, ground occupied by a heavily unionized and stubbornly defensive group of manual workers.

One may also look towards the emergence of semi-permanent mass unemployment and the uncanny social tranquillity that so far accompanies it. It lies heavily on some of the regions where coal mining is concentrated. The outlook for the young especially is such as to blight many hopes of work, status, and the good things of the life of television. In Mr Scargill they have an authentic radical rant to stir hope and breathe defiance into those who see nothing to gain in things as they are and nothing to lose in things as they might be.

These adventitious ingredients to the dispute in the coalfields will affect its temper and perhaps its duration. They require from the Government political finesse on top of the resolution ministers may be expected to show on the main issue.

SLOW ROUTE TO CHINA

When President Reagan was elected he would probably have brushed aside predictions that he would visit China four years later. Yet here he is, setting off on a slow journey to arrive there on Thursday. The change has been gradual. He campaigned on a policy that threatened to upset the carefully balanced relationship with China constructed by his predecessors. They had found that treating Taiwan as China had become increasingly unreal in terms of power politics, no matter how attractive by some moral criteria. Dr Kissinger's secret visit led to the Shanghai communiqué of 1973 and eventually to the establishment of full diplomatic relations in 1979. The essence of the arrangement was an agreement to disagree over the status of Taiwan.

Mr Reagan began his presidency by putting the clock into reverse, building up relations with Taiwan through arms sales and other signs of favour, arguing that it was American policy to be true to friends and hostile to communism. This simple view has since been modified. He has been unable to ignore the huge, looming presence of China, which seems bound to be one of the major economic (and maybe military) powers of the next century and is meanwhile a useful counterweight to the Soviet Union in the Far East. American arms sales to Taiwan have been curbed, and exports of technology to China have been eased. A degree of balance has been restored.

Yet there is still uncertainty and caution in the American

view of China. In the 1970s it was fashionable to talk about playing the "China card" against the Soviet Union. The Chinese encouraged the idea by keeping up a continuous drumbeat of invective against the Soviet Union, which in turn showed every sign of fearing the emergence of a Sino-American alliance against it. This was one of the factors behind Soviet interest in detente with the United States. And China, of course, denounced detente with the same intemperance that it denounced the Soviet Union.

The death of Mao Tse-tung in 1976 and the consolidation of the Deng Xiaoping leadership in 1979 brought calmer attitudes all round. Ideological denunciation of the Soviet Union diminished, since China was embarking on experiments far more "revisionist" than those it had earlier condemned in the Soviet Union. Talks of "normalizing" relations began in 1979, only to be interrupted by the Soviet invasion of Afghanistan, which was strongly denounced by China. Within a couple of years however there was movement again, and in 1982 the Chinese sent their Foreign Minister to Mr Brezhnev's funeral, only to dismiss him when he returned to Peking. Polemics between the two countries flared up again in 1983.

One reason for China's tentative but unsteady interest in improved relations was fear that the United States was swinging back to Taiwan. Equally, one factor in the change in Mr Reagan's attitude was fear that China and the Soviet Union

would patch up their differences. However, there are other considerations at work. China is driving into some very ambitious experiments in economic modernization. It can do without expensive confrontations with the Soviet Union. It needs Soviet trade, and it needs to keep down its defence spending. Yet mutual suspicion still dictates a fairly cool and formal relationship.

This means that it will not wish to be a card in American relations with Moscow. Yet it very badly needs American technology, trade, and other forms of assistance. The main Chinese interest, therefore, must be to maintain reasonably calm and constructive relations with both super powers, while not becoming too dependent on either or so intimate with one as to arouse the suspicion of the other.

This ought to suit the West reasonably well. A high level of tension between China and the Soviet Union, though it might seem tactically useful to the West in the short term, works against stability. Equally, a total rapprochement would produce a formidable coalition against the West. The present situation therefore gives the United States the opportunity to act as a stabilizing influence on both powers since both need American trade and each wishes to prevent the other getting too close to Washington. President Reagan could seize this opportunity and set the guidelines for an important period in American diplomacy.

A MUZZLE FOR NIGERIA

The new press law promulgated by the Nigerian military government last week is an assault upon the freedom of journalists. It is particularly deplorable in Nigeria because a country with an autocratic military regime needs a free press to administer some sort of checks and balances, and because there is a tradition of freedom of the press in Nigeria: the country has the most varied, lively and independent newspapers in the continent.

The new decree creates the offence of inaccurate reporting and allows for trial by a special tribunal of three military officers under the chairmanship of a judge. The onus of proof will be on the defendant. The tribunal will be able to impose two years' imprisonment on a journalist or a fine of about £10,000 on a publishing organization. The Government will also have the power to shut newspapers or radio stations for a year. No appeal will be allowed.

Almost from the time when it seized power on December 31 last year General Buhari's Government has let its im-

patience with the press be known. Apart from making acid public comments, the regime has in detention two well-known commentators, Tai Solarin and Haroun Adamu, whose main offence is thought to be the outspoken newspaper columns they have written. More recently, the diplomatic correspondent and the assistant news editor of one of the more responsible and thoughtful of the Lagos newspapers, the *Guardian*, have been detained: their offence stems from the leaked publication in the newspaper of diplomatic appointments (no considerations of national security were involved).

General Buhari has said that this sort of law is necessary to protect government men from slanderous accusations and that discipline and responsibility are as necessary to the press as freedom. In fact, the Government already has the means to correct any inaccuracy it may detect since what its senior men say is invariably reported, and an operative Nigerian law of

libel is there to help those damaged by untruths.

What the new law will do is to discourage the publication of stories embarrassing to the government. The mistake General Buhari makes is in thinking that unpublished stories die: in fact they continue to circulate as rumour, gathering momentum. A secondary mistake is in thinking that sitting on the safety valve makes for safety.

Nigerian journalists treasure the words of a previous military ruler, General Yakubu Gowon. Asked in 1967 what he was going to do about the hostile press he was receiving, he said: "I cannot tell them what to do since we do not dictate policy to any press here. They have been independent since they ought to be. The press has to tell the truth, to be objective and honest so that people can rely on what they print. They should tell us off when they feel we are wrong and commend when they feel it is worthwhile. We can take it." General Buhari should be able to take it too.

What he has to accept this advice? Some trustees of charitable funds have a policy not to invest in companies whose businesses are substantially involved in alcohol, armaments, gambling, tobacco or repressive regimes. They do not wish to receive profits earned by exploiting or causing suffering to "their neighbours". This still leaves a wide range of companies in which to invest.

In fact trustees, who consider it is morally wrong to invest in a country which denies the vote to four fifths of the population, may also consider

that it is prudent not to invest in such a country because in the long term there is likely to be social unrest in that country until the majority are able to vote.

If the law said that a trustee may not act in accordance with his or her conscience, then any trustee who is worthy to be trusted would have to resign.

Yours faithfully,
R. J. M. CAFFYN,
Field House,
Old Willington Road,
Priston, Eastbourne, East Sussex.

An American lesson in urban renewal

From Mr Michael Brophy

Sir, On the day I returned from a visit as part of a delegation from the London Enterprise Agency to the City Partnership of New York, I learned with horror of the intended closure of a part of the Manchester Ship Canal.

Our delegation visited and discussed urban renewal and preservation projects. The difference between what has not been done in the port of Manchester and what has been done in South Street Seaport, New York, is "profit".

South Street Seaport, on the lower tip of Manhattan, is a thriving multi-million-dollar enterprise making money (although it is ultimately controlled by a not-for-profit foundation, which itself owns and runs the seafaring and port museum).

A mixture of commercial interests mingle in a variety of complex financial relationships; these include retailing, wholesaling (the equivalent of our Billingsgate is there and it never had to move) and also housing developments, the majority of which involve the original residents. Streets, the famous fish-food restaurant, is once again a gold mine. I am glad to be able to report!

The basic trick is as follows. A development corporation approaches the City of New York (or vice-versa) with a proposal to renew an area of urban gross, even dangerous, urban decay. If city planners agree the desirability and priority of the project they will (normally) apply for a federal loan at no interest and of a limited size, ie, never more than 10 per cent of the capital required.

The city itself will then sell bonds, which it guarantees, to banks and other sources of private capital. At this point a massive and safe capital engine is available for a project

which will be large enough to transform not only the land itself but also the blighted hinterland around it.

The commercial developer or developers can now sense the profit possible if normal commercial standards of planning and delivery are observed. Retailers, restaurants, museums, galleries and the like compete to get into the area. Tourism also takes off, and so do the feeder transport links.

Your readers might say, "What's new? We have done this sort of thing here." What is different in the United States is the reader acceptance of public-private partnership financing in big social schemes than is sometimes to be found in Britain. The results here are often sterile and not self-supporting.

I would make a plea with whoever is responsible for the Manchester Ship Canal decision to do two things first: to arrange a visit for themselves and their advisers to Boston, Baltimore and New York (to include the New York Port Authority, the City Partnership and also one or two of the big responsible private development corporations like Rouse Corporation).

Second, when they return home, to hold a working conference of our companies like Trafalgar, Taylor Woodrow etc, and with leading financial institutions. They should then sell central Government a total package it will find hard to refuse.

I believe the Manchester Ship Canal is a profit resource we cannot afford to lose. There are many others.

Yours faithfully,
MICHAEL BROPHY, Director,
Charities Aid Foundation,
48 Pembury Road,
Tonbridge, Kent.

Tax framework for art

From Mr Denis Mahon, FBA

Sir, May I add a factual footnote to Geraldine Norman's most welcome call for tax changes in order to retain our cultural inheritance (feature, April 14)?

She refers to a tax "concession" on works of art ceded to the nation in discharge of capital transfer tax liabilities as "significant" in that it keeps "a certain number of treasures out of the export queue". But I fear that its significance within the context of the situation so well set out in Mrs Norman's article is minimal.

A very recent parliamentary answer (April 6) gave the official total of tax debts thus settled in kind during the whole of the past financial year as £15,346,61. This sum covered (apart from two groups of papers, and one of chattels in a historic house) 32 items, of which 30 were paintings. But as those familiar with saleroom reports will know, individual auction sales of works of art have to be very routine these days to raise a total of less than £1m. It follows that, welcome though the accepted items were, they were hardly of the stature to be relevant to the problem.

The reason why is, of course, that the terms for ceding works of art to the nation in settlement of tax debts are not attractive enough. The system is that, though an object thus surrendered is by statute exempted from tax, the Treasury appropriates to itself through administrative action 75 per cent of the benefit of the tax exemption in the process of calculating the amount to be discharged by its acceptance.

This proportion, fixed over a quarter of a century ago, was judged far too high by the recent Commons select committee, which in effect pressed that it should be reduced to 25 per cent. Despite the fact that the Museums and Galleries Commission made a very moderate recommendation of a fifty-fifty division of the benefit of the statutory tax exemption (that is, an equivalent indentment to both sides) the Government persisted in declining to make any change whatsoever.

Alas, time is likely to demonstrate the shortsightedness of this.

Yours faithfully,
DENIS MAHON,
33 Cadogan Square, SW1,
April 14.

Conflict in Sahara

From Mr Colin Mace and others

Sir, A team from the Oxford University Third World First group has just returned from the Saharawi refugee camps in Western Algeria. We were the warmly received guests of these people, who were forced from the Western Sahara by Moroccan troops and air raids in 1976.

In 1975 the International Court of Justice ruled in favour of the rights of the Saharawi self-determination, as did the UN in 1981 and 1982. Since the birth of the Saharawi Arab Democratic Republic in 1976 it has been recognised by over 50 countries, none of which are from the West.

During our visit we found that basic supplies provided by the Algerian Red Crescent were adequate. These 150,000 refugees, because of the prevailing conditions, are totally reliant on external aid; however, they are responsible for the distribution of supplies and all camp administration. It is well organised and efficient.

The biggest hardship for the Saharawi is living in exile in a barren desert. They wait, hopeful and resolute, for the day when a political settlement will enable them to return home. One Saharawi elder asked us pointedly: "Does the UN have any power to help oppressed nations?"

The West must take positive steps to end this conflict. Britain should

apply diplomatic and political pressure on Morocco to withdraw its troops. We should recognise the SADR and condemn King Hassan's action, rather than ignoring or tacitly supporting it. The time for serious consideration of this problem is long overdue.

Yours faithfully,
COLIN MACE,
R. BLACK,
HEFFI FELLOWS,
L. CRAIG,
KITTY CARRICK,
As from Exeter College, Oxford.

Landscaping and BR

From Mr R. Gartside

Sir, Major Philip Banbury suggests (April 16) that the reason why BR do not landscape their lines is that only the engine driver can see the view forwards from the train.

Why should this invidious distinction exist? In Italy there are the most splendid trains in which the driver sits above the passengers in the front coach, who thus have an unimpeded forward view. Supplements are charged and much revenue raised since there is fierce competition for these forward seats in which everyone can play engine drivers.

Is it, perhaps, that BR lack forward vision? Yours faithfully,
R. GARTSIDE,
Compton House,
Janbriss, Gwynedd,
April 16.

Sinking of Belgrano

From Admiral of the Fleet Lord Lewin

Sir, Perhaps you would allow me to comment on the letter from Mr Arthur Gavshon (April 16). In the epilogue to his book, *The Sinking of the Belgrano*, which he co-authored with Mr Desmond Rice, Mr Gavshon states that he approached the Ministry of Defence in June, 1983, with a request to interview Rear-Admiral Sir John Woodward, Commander Wrexford-Brown (the commanding officer of HMS Conqueror) and me. Although the ministry did not permit an interview with the two serving officers, or allow Admiral Woodward to reply to a written questionnaire, the authors were told soon after their initial request that they should approach me directly. This they did not do.

I am quoted in a number of places in the book - Mr Gavshon says my "public utterances were taken fully into account at nine different points". These references are to a number of press, radio and television interviews, of which the press and radio reports were the journalists' distillation of long discussions, sometimes three or four hours. As a journalist, Mr Gavshon must know how much explanatory background

must inevitably be omitted from a finished article and in any case his deduction of my reasoning based on second-hand evidence is often inaccurate. If his book purports to be a contribution to history, he must know how much better it is to use an original source if one is available.

I repeat my statement in the House of Lords: it is a pity that Mr Gavshon and his colleague did not approach me. I could have given them, without any breach of security, what I believe they would have found convincing answers to the nine questions they wished to put to Admiral Woodward and which are listed in the book. Since Admiral Woodward was not in operational command of the submarines and was not responsible for obtaining approval for rules of engagement he was not necessarily the appropriate target for the inquiry.

With the explanations that I could have given had I been asked, Mr Gavshon and Mr Rice might perhaps have produced a better balanced book and made a more valuable contribution to the history of the Falklands War.

Yours sincerely,
LEWIN,
House of Lords,
April 17.

Hopeful outlook for film-making

From Mr Adrian Scrope

Sir, David Hewson should know better than to call for embalmment aid for the British film industry (*The Times* April 7). He is the victim of a looking too healthy. Over the past 30 years the film industry has had its obituary written many times, but rumours of its death have always been exaggerated.

It is equally fallacious to suggest that capital allowances have been solely responsible for the resurgence of the film industry over the past five years. That would be to deny the renowned excellence of the craft workers in this country and the competitive edge given by a favourable rate of exchange which has moved more than 35 per cent in Britain's favour while capital allowances have been operating.

Indeed, it would be an interesting calculation to establish who has benefited the most from capital allowances. Certainly the banks have been able to defer substantial amounts of corporation tax by leasing "British" films, but I suspect the allowances have benefited American companies more than British production facilities and personnel. Of course it will be regrettable if the Salkind empire leaves our shores, but how many more "Superman" films can they possibly make?

The Government is phasing out capital allowances over two years and one is forced to ask how long it

takes to wean a baby, even a delicate and talented one. The reverse of the coin, conveniently forgotten by the harpers of doom, is that tax on profits is also coming down, for films as for every other type of industrial activity. That fact alone could make Britain a growing centre of production and distribution.

This Government's call to industry has been consistent. "Adapt, invest and be profitable or release talent and resources to new industries." It has encouraged risk-taking and the City financial institutions have responded well, as is evident from even a cursory examination of the consortia financing the hardware of the cable revolution.

The shift in tax incentives should lead to the creation of more film production funds, where the investors can spread their risks, look at a longer term strategy, and provide a much more solid base for the financing of feature films and television production in this country.

Instead of crying wolf, yet again, the leaders of the British film industry should face up to the challenge of making more winners than losers. The rest will follow.

Yours faithfully,
ADRIAN SCROPE,
Deputy Chairman,
Yellowbill Holdings Ltd.,
11 Cross Keys Close, W1,
April 16.

Youth training cuts

From Mr Tony Baldry, MP for Banbury (Conservative)

Sir, Nicholas Hinton's letter concerning the Youth Training Scheme (April 11) requires qualification.

YTS is probably the most innovative training scheme ever to be introduced by any government in Western Europe. A firm commitment was given by the Government that there would be a training place available for every school leaver who wanted a place. By Christmas all 16-year-old school leavers who did want a place on the scheme had one.

The reason why fewer school leavers than anticipated entered YTS is, I suspect, because the MSC underestimated the degree to which young people this year would get jobs outside YTS.

Whilst it is important that a comprehensive survey is done on the first year's work of YTS, it is premature to seek to assert that young people entering YTS are not staying the course. At any particular time you will find in the unemployment figures a number of unem-

ployed 16-year-olds, which leads some to assert that they have opted out of YTS, but again I suspect that many of them are in the process either of moving from one job to another or from one YTS scheme to another.

As to Mode B1 placements, the simple reality is that, at the moment, £70m is being spent, not on training but wasted on bricks and mortar, training no one. The number of B1 placements for 1984/85 will be 70,000, not 60,000 as stated by Mr Hinton, and, bearing in mind that, at the end of December, 1983, only 54,300 B1 places were occupied, one would think that a level of 70,000 places should be more than sufficient.

I am sure that the sponsors of Mode B1 schemes are making an invaluable contribution to YTS but, at the end of the day, what matters is youth training, not that YTS should indirectly subsidise various community organizations, as it can only be doing at present, with £70m being used up but training no one.

Yours faithfully,
TONY BALDRY,
House of Commons.

The 'anti-racist lobby'

From the Reverend Kenneth Leech

Sir, Dr Scruton (feature, April 3) claims that the anti-racist lobby has failed to convert itself into antiracism. This lobby is not defined and so it is impossible to prove or refute the point. But I think I know more about the anti-racist movement than Dr Scruton does and I would categorically state that very many of us have been expressing concern for years about the survival and resurgence of antisemitism.

That Dr Scruton also regards it as an evil is to his credit, though it would have been more encouraging had he made the connection between the evil he recognizes and the "artificially induced hysteria" which bores him.

Dr Scruton cannot resist the inevitable anti-Communist smear line. "I would not wish for one moment to suggest that left-wing rhetoric is controlled from Moscow. But..." If that is not what he wants to suggest, what is the point of the sentence?

His implication is that the anti-racist movement serves Soviet interests. A few years ago such a suggestion would have been found, not in the columns of *The Times*, but in the propaganda papers of the extreme right.

A more appropriate question might be: whose interests do Dr Scruton's articles serve? For, in his own words, "it is surely testimony to the changed climate of taste" that they should appear in *The Times* at all.

Yours faithfully,
KENNETH LEECH,
General Synod of the Church of England,
Board for Social Responsibility,
Church House,
Dean's Yard, SW1,
April 4.

Words and worship

From the Reverend P. J. Ridley

Sir, Roger Scruton (April 10) concludes his piece about the conservation of Cranmer with the words, "the fate of Cranmer's liturgy is also the fate of the Anglican Church".

He is, of course, wildly wrong. Whole provinces of the Anglican Church worship by means of liturgy not written in English, let alone early Tudor English.

The reason why these provinces have furnished themselves with liturgies that can be readily understood by the people using them is quite simply that worship that is not understood and intelligently consented to by the worshipper is not worship at all; it is idolatry.

A sure test of liturgy these days is the choice made by young couples with regard to their wedding service. I have found that, given a completely free choice in the matter, these couples (who generally speak English) tend now to choose to be married by the modern service, simply because the words make sense to them and they feel that they are taking part in a meaningful event instead of some distant ecclesiastical pantomime.

It is also true that very often, when the 1662 service is chosen, the

Milk quota muddle

From Mr Nicholas Horsley

Sir, For those who believe that this country should stay in the EEC there had to be some attempt at solving the over-production in the dairy sector.

The scheme which is being brought in is going to go some way towards reducing this over-production, but it is less than fair to the British milk producer.

The last year that figures have been released for self-sufficiency in dairy products was 1982. I quote from Eurostat (Statistical Office of European Community) in giving you the following figures. "United Kingdom: 83 per cent self-sufficiency; France, 123 per cent self-sufficiency; and Eire, 229 per cent self-sufficiency."

Is it not very ludicrously unfair for the United Kingdom milk producer to be penalised substantially more than the Irish producer, and even a little more than the French producer?

Yours faithfully,
NICHOLAS HORSLEY, Chairman,
Northern Foods plc,
Beverly House,
Stephens Square,
Hull, East Yorkshire.

Fears for the O level

From Mr David Bolland

Sir, It is well known that the O level examination is designed for only the top 20 per cent of the ability range. Yet Professor Cox and others (April 12) claim that "most people can still hope to achieve" it. Is it their mathematics, or their English which is at fault?

Yours faithfully,
DAVID BOLLAND,
1 Brooklands Crescent,
Sheffield,
South Yorkshire.

choice is made because the couple believe that parents or older guests would prefer the old service.

Of course there is a place for retention of the older forms of worship. But the kind of wholesome denigration of the new services indulged in by so many of its antagonists is harmful to the life of the Church of England and to many, many who are at present on the threshold of church membership.

Yours faithfully,
PETER RIDLEY,
Eynsham Vicarage,
Oxford,
April 10.

Sale or return

From Mr Charles Elkan

Sir, Philip Howard (feature, April 18) is perhaps unaware that rain check has a second, more common, meaning in the US. If a supermarket or a department store advertises a special offer, but sells out before a customer asks for it, then the customer receives a voucher which allows him to buy the article at the special price when it next comes into stock, even after the special offer has expired.

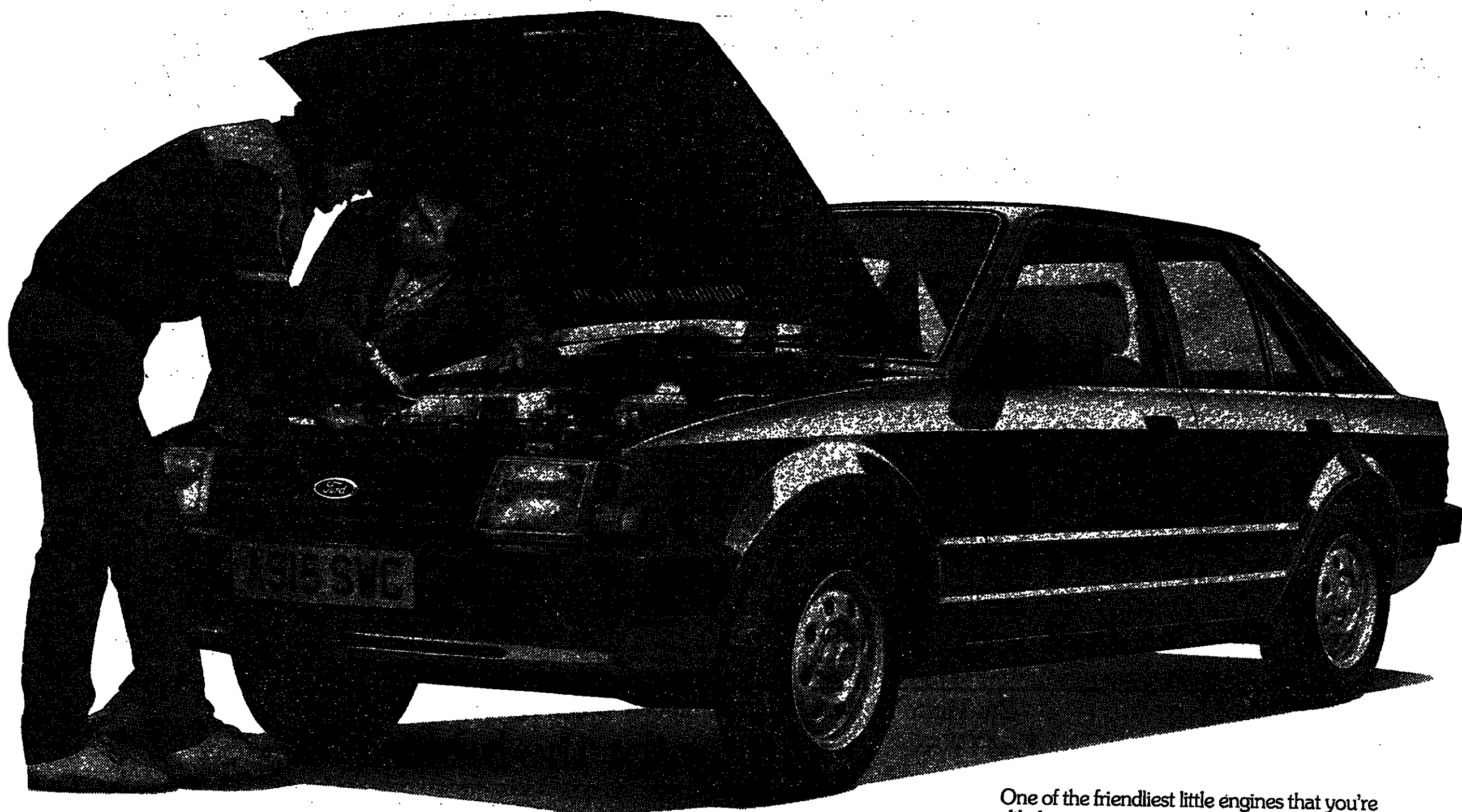
If only shops here issued rain checks.
Yours faithfully,
CHARLES ELKAN,
Fitzwilliam College,
Cambridge,
April 18.

A trustee's duty

From Mr R. J. M. Caffyn

Sir, Sir Robert Megarry is quoted as saying, in the miners' pension fund case, that trustees cannot make moral gestures when considering investment, but must act as "the ordinary prudent man".

I hope he expects the ordinary prudent man to have a conscience. If a trustee received expert professional advice that the best financial return could be obtained by investing in a chain of sex shops,



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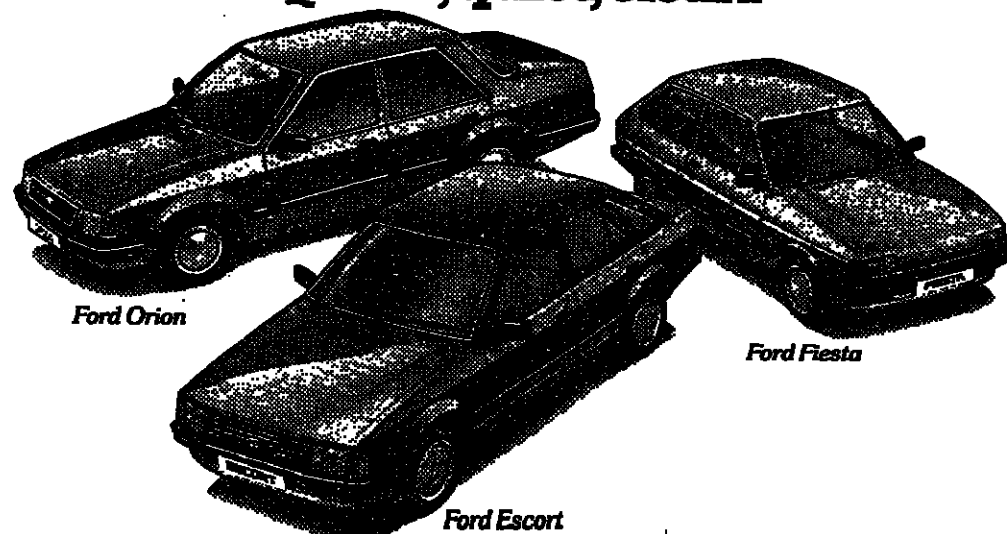
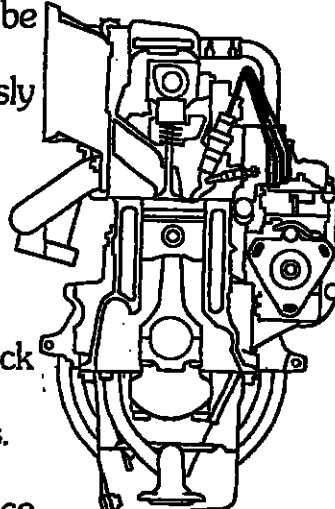
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*Govt. fuel economy figures - mpg (litres/100 km). Fiesta 1.6 diesel: constant 56 mph (90 km/h) 74.3 (3.8), constant 75 mph (120 km/h) 50.4 (5.6), urban cycle 56.5 (5.0). Escort Saloon 1.6 diesel: constant 56 mph (90 km/h) 70.6 (4.0), constant 75 mph (120 km/h) 48.7 (5.8), urban cycle 51.4 (5.5). Orion 1.6 diesel: constant 56 mph (90 km/h) 72.4 (3.9), constant 75 mph (120 km/h) 52.3 (5.4), urban cycle 51.4 (5.5). †Ford computed top speed, 1600cc diesel saloons; Fiesta 92 mph, Escort 91 mph, Orion 93 mph.

Ford cares about quality.



● Chasing the keyboard crooks

Users of high technology equipment are now becoming acutely conscious of the environment in which they are working and the novel problems that result, say the ergonomic gurus of high technology at Loughborough University.

The Human Sciences and Advanced Technology Research Group (HUSAT) at the university is now into its fourteenth year and has noticed a marked change in people's awareness of the problems which can be generated in an office, bank or typing pool where typewriters have been replaced by word processors or where visual display terminals (VDUs) are now extensively used.

The problems now being identified by HUSAT are an indication of the spread of high technology in the office. Less than five years ago the technology had barely penetrated the minds of the company executives, never mind their offices. Today a complete strata of middle management has found itself almost redundant as their senior executives have access to more immediate and accurate information on company business by using their desk terminals. Reliance on the meticulously prepared management briefings is almost becoming a thing of the past.

Terminal design

It is, however, the constant user and one who is in an environment where several units are in operation who could be the casualty. Prevention not cure is the HUSAT message.

Lighting, heating, furniture, the positioning of terminals, the proximity of one user to another, the design of the terminals themselves and the ease by which the terminals can be used, are some of the fundamental questions researched at Loughborough. Short and long courses are run to preach the gospel. One short course of five days just completed at the

university, was attended by organization and method analysts (O&M), systems managers and similar people from the financial, industrial and publishing sectors of the economy. Curiously their problems are similar. The building block of the high technology environment is the terminal. HUSAT's inquiries to the medical profession on VDUs precipitated a curt response. The view was that the subject of VDUs (visual display units) - the same as VDTs (visual display terminals) - was "emotive", and no useful purpose could be served by highlighting a health hazard which "doubtfully existed", by coupling it to an ergonomic problem which did need attention.

The ergonomic problem does need attention but so does any health hazard, no matter how infrequent its occurrence or minor the ailment. There are many such ailments which have been blamed on the electronic terminals, a number of which have had little foundation. They have however been worthy of examination by the Health and Safety Executive, which made a specific study of the problems and printed guidelines on the technology.

It concluded: "In the majority of applications, the introduction of VDUs has proved to be successful and indeed beneficial from the point of view of the operators well-being and satisfaction. In some instances, however, users have complained of a variety of bodily symptoms which appeared to be associated with VDU operation. These complaints have been largely related to soreness of the

eyes, discomfort in the head, neck and limbs and the feelings of mental tiredness".

The executive investigated the areas which had been highlighted as potential sources of hazard. These were effects from radiation, epileptogenic effects, facial dermatitis and symptoms to postural and visual fatigue.

The knowledge of ill-effects in some areas is still scanty since the science is virtually in its infancy. The VDUs use

for continuous exposure must not be exceeded.

However it does concede that: "The stringent international occupational standards from continuous exposure do not claim to protect 100 per cent of the work force".

The executive also investigated photosensitive epilepsy and facial dermatitis occurrences in relation to VDU operators. It rules out the possibility that the terminals could cause epilepsy but warns that such seizures can be induced in sufferers through prolonged exposure to a flickering light source. This photosensitive epilepsy occurs in only 1:50,000-1:100,000 of the population and usually in the age range of 10 to 14 years old. The incidence is therefore "extremely low", concludes the executive although a large screen, bright text, and prolonged viewing at close range "may increase the risk of a seizure in those individuals who are known to be, or may be, photosensitive, relative to the epileptogenic effects of a television screen".

The planned environment HUSAT, the H & S E and the Chartered Institution of Building Services (CIBS) agree, is vital to efficient use of high technology equipment. CIBS, which was formed in 1976 merging a number of older institutions in building engineering, has studied the subject of VDUs. The institution has published its guidelines on the positioning of the electronic units in offices.

While conceding that some aspects of environment may be deficient and result in eye discomfort, double

Could the typing pool damage your health?

THE WEEK

By Bill Johnstone

the same technology as adopted by a television receiver. An electron beam is projected at high voltage on to the inside of the screen coated with fluorescent material. The electrons in an ordered fashion react with the coating and converts its energy into light. That conversion is not always as efficient as might be desired and unwanted radiation results from the electron collision and internal electronic components in the VDU.

According to the H & S E past concerns has focused upon X-ray emission from the electronic tube and internal circuits but more recently interest has widened to include the whole of the electro-magnetic spectrum including radio-frequency (RF), microwave and ultra-violet radiation. The executive concludes that the national and international limits set

vision and even headaches, "there is no simple link between the occurrences of a specific symptom and the deficiencies of the visual environment". It is that uncertainty that is making some users fearful.

For the machine to operate efficiently, the environment in which the terminals are placed must be monitored and controlled to a far higher tolerance than was ever expected in the old office surroundings. Electronic terminals emit heat and as a consequence raise the temperature of their immediate environment, which, if not properly air-conditioned can make the user extremely uncomfortable if not drowsy.

Uncertain science

The correct balance can be quite difficult to obtain as HUSAT is discovering with the frequent inquiries it is currently receiving to advise on improving systems which have not performed to expectation.

That sensitivity is highlighted in the H & S E study on possible health effects. Facial dermatitis appears to have occurred in a number of instances among VDU operators. Such rashes, although not all, can be helped by improving the environment. These appear to occur in environments with relatively low humidity in the air (20-30 per cent) and the presence of a static field.

The entire science is uncertain. HUSAT concedes that while there exists the possibility of direct or indirect health hazards, VDU users will continue to seek agreements which usually entail maximum "on screen" time per day and extra rest periods - both can be expensive to implement.

The message from all the specialists is clear. The system must be designed with the user in mind. The traditional approach to systems design must be altered to include the humans' needs from advanced technology.

Ten times better

Richard Horning, a student at the Vienna Institute, has raised the storage capacity in the memory circuit of a 10-times the installed capacity, without increasing the dimensions of the computer or its weight. The portable computer, an Epson HX-20, used for the integration of the new invention, has about the same measurement as a normal briefcase and weighs about 3.5 lb.

Mr Horning said: "The integration of a 144 K byte capacity - equivalent to the coverage of 90 close-written manuscript pages - has made available the current largest capacity for storing information in a portable computer model." The integration product will be on the market later this year.

Apple Computer has announced a "mouse" for the Apple II range of micros. It allows the user to select functions from different parts of the screen without using the keyboard. By moving a "mouse" across a surface, a piece of information or an arrow, for example, can be moved to a relevant screen position. It will be supplied with an interface card and a graphics program - Mousepaint. Facilities possible include pull-down menus, windows and icons. Price is £135.

Professor Zhang Zesheng, aged 88, has been bed-ridden for more than a year but, say Chinese officials, "his medical experience has been programmed into a computer at Jiangsu Medicine Hospital, which has cured 500 patients at an effective rate of 95 per cent in the last four months".

The hospital's top 10 doctors have an average age of 75, the oldest being 90. As they cannot work full-time, a spokesman says, a computer is necessary.

● The difficulty of mastering the QWERTY keyboard is no longer necessary for users of the BBC

BRIEFING

Micro. Microwriter, the company which produces the ergonomic five-key keyboard, has produced a six-key version for the BBC machine which can even be used by six-year-olds, the company says. Letters of the alphabet and numbers are produced by pressing combinations of the five main keys - rather like playing the piano with one hand.

New users, it is claimed, should achieve speeds of 30 words a minute in just five hours' use, compared with the weeks of practice necessary to become competent with the QWERTY keyboard. A Quinkey start-up pack retails at £50. Microwriter plans to launch Quinkey for the Spectrum, the Commodore 64 and other popular home computers later this year.

● Briefing by Frank Brown, Matthew May, Mark Stone.

UK events

ZK Microfair, Alexandra Palace, Wood Green, April 28
Midland Computer Fair, National Exhibition Centre, Birmingham, May 4-7
Computer, Business Systems & Communications Equipment Exhibition, Micro City, Bristol Exhibition Centre, May 15-17
DEC User Show, Cunard International Hotel, London W6, May 15-17
Walthamsoft '84, Main Exhibition Hall, Waltham Forest Technical College, Forest Road, London E17, May 19

Riba Computer Exhibition, Bloomsbury Crest Hotel, Coram Street, London WC1, May 22-24
Apple '84, Fulcrum Centre, Slough, Berkshire, May 24-26

Overseas

Computerized Office Equipment, Rosemont, USA, May 1-3
Compec Europe, Centre International Rogier, Brussels, May 8-10
Data Processing, Computer & Automatic Systems Fair, Lyon, France, May 9-12
Compiled by Personal Computer News

Enter the SuperScot

By Maggie McLening

The British answer to the IBM Personal Computer may be to outdo it - but keep all the best features. The Scottish micro manufacturer, Future Technology Systems (FTS), has announced a "non-IBM look-alike" which, though selling for a similar price, is claimed to run 250 per cent faster and to be able to run any of the multitude of programs written for the IBM PC, which many IBM-PC compatible computers cannot.

FTS has based the PCi on its existing PC86, which is sold mainly via other manufacturers such as Ferranti and Honeywell, which modify it before putting on their own labels. By far the biggest innovation is in the software available on and to the PCi. Instead of the single-user, single-tasking MS-DOS operating system favoured by most PC look-alike suppliers, Future Technology Systems has opted for Concurrent DOS from Digital Research, which allows up to four programs to run simultaneously. It also offers the choice of running applications written for either CP/M or IBM's native PC-DOS, and the PCi has a built-in enhancement to extend this to so-called "misbehaved" software.

As some of the PC-clones have discovered to their cost, many of the most popular packages

contain software routines designed to speed up execution by taking a short cut through the operating system. These make the programs dependent on the host hardware and are termed "misbehaved", although FTS further divides this into "poorly" and "terribly" behaved; into which last category spreadsheet Lotus 1-2-3 falls.

PCi emulates the IBM hardware features to correct the deviation, so that even the "terribly-behaved" conform. So confident is FTS that it has solved the problem, that the company is offering 25 per cent refunds on the PCi purchase price to anyone finding a piece of IBM PC software that will not run on the PCi.

Peter McHugh, the managing director of FTS, comments: "Everyone recognizes the success of the IBM product but those with any technical understanding cannot fail to wonder how a micro with such limited power, performance and outdated technology has achieved success - the answer is clearly the IBM name. Users are short-changed when they rent or buy this product. We are offering, in US terminology, 'more bangs per buck' in a machine that will undertake more tasks at a far greater speed."

Out to wipe the high-tech thief

By Alan Lewis

A new company has been formed by a former assistant commissioner of New Scotland Yard to fight the increasing crime of computer fraud.

John Pascoe, a director of the new company, CS Computer and Information Security - and a former senior director of Sperry, said: "Companies are not used to defending themselves against the computer criminal."

"There is a whole generation of youngsters who have been brought up with computers and understand them inside-out. If just some of them are tempted into crime it means trouble."

"Some computer crimes are discovered but not always publicized; companies are sometimes hesitant to disclose that they have not looked after their secrets and valuables."

The service offered by CS is probably unique in the computer world. It will operate by making attempts to gain access to the computer areas of a company. They will take place over a three-month period with no notice given to the client when the attempts will be made.

Reports on their success will be given to the client who requests the survey.

Computer-related fraud is estimated to be costing British industry between £500m and £2.5 billion a year.

Insurance against computer fraud is expensive and few British companies have taken out cover. But the problem is not simply a British one. In the United States, concern has

grown rapidly over the past year.

The US Defence Department, once confident that its computers were virtually impregnable, has become increasingly worried about future security.

It is concerned by the explosion in the numbers of people with physical access to top-secret computers. It is also worried by the growth of computer networks that ease the way for electronic entry by advancing new ways to "tap" a computer.

Advanced devices make it easier than ever to tap telephone lines. Radio frequency radiation from distant computer terminals can be intercepted and deciphered while surveillance devices can be clandestinely attached to remote terminals.

In the United States, FBI agents recently raided the homes of young computer buffs who were thought to have linked up to scores of commercial or government computers. No arrests followed because no Federal law covered the circumstances.

The mother of one youth whose computer was seized by the FBI said agents told her they were investigating intrusions into computers at the nuclear laboratories at Los Alamos, New Mexico, and the McClellan air base near Sacramento, California.

A computer expert commented: "If youngsters are doing this for a lark, can you imagine what people are doing who are serious about their intentions?"



The Times National Microcomputer Challenge results

Jeffrey, a winner for the blind

By Matthew May

Jeffrey Cooke, an 18-year-old from Northern Ireland, has won the finals of The Times National Microcomputer Challenge with a project designed to assist the blind in benefiting from computers.

He was one of 10 regional winners who each presented their projects for a day's judging at the Holiday Inn, Marble Arch, last Wednesday as part of the London Festival of Computing.

The aim of the competition, which attracted more than 500 entries, was to find the best original use of a micro for a novel or socially useful purpose. Ideas could involve any type of project using hardware or software and any type of microcomputer.

Jeffrey Cooke's system, Acoustic Braille, requires only four keys on the keyboard to be used to input a computer version of the six dots of the braille system. On input a series of tones allows blind users to check their entry and listen to information already stored.

Mr Cooke, a student at St Columba's College, Derry, chose his topic because he believed there were few aids on the market that were both cheap and comprehensive that could assist the blind to use computers.

Writing letters

Acoustic Braille currently runs on a BBC B microcomputer but should be easily adaptable to other low-cost home micros.

It can be used for such things as writing letters or organizing a filing system but Mr Cooke wants to work on adding an optical character reader to the system which would allow the input of normally typed text.

He is already developing some speech synthesis capability to the system.

The judges awarded the second prize to Robert Collins, a final-year student at Keele University, for a project to assist in the study of the



Jeffrey Cooke who won The Times National Microcomputer Challenge with his project education of retarded children. He has developed simple games software that includes the ability to monitor action taken by a child when playing the game.

This can be analysed later by tutors to assess such things as learning ability.

Mr Collins, who already has experience of designing aids for the physically handicapped, wishes to continue his project by studying for a PhD.

Joint third prizes went to Jon Dingle for a program to help young motorcyclists avoid accidents, and R. W. Wills-Sandford with a project to use

micros in assisting neighbourhood policemen.

Mr Dingle, a Royal Naval lieutenant at Plymouth, developed his Bikeseafe program on a 48K Spectrum. Aimed at 13 to 18 year olds the software begins with a road safety quiz for motorcyclists.

Scoring 90 per cent or above in the quiz allows the player to continue to a motorcycling arcade-type game. It is to be tested on schools by the Devon and Cornwall Police Road Safety Office.

Mr Wills-Sandford's project, based on an IBM personal computer, is a system to enable

the police to store local information at each police station to help the local police officer.

Noting the high quality of the entries generally, the judges also awarded a special commendation to five 12-year-olds, from Kelsey School in Birmingham. They are John Adrian, Anwar Ali, Ian George, Simon Moss and Adam Tibbalds, who have all worked on a project to help dyslexics.

Prizes included a BBC B micro, a disc storage system and colour monitor from Acorn Computers and £100 and £50 vouchers from W. H. Smith.

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A paperwork expert at your elbow

By Chris Naylor

Close your eyes for five minutes and dream a fanciful dream. Let it be as far beyond the current realms of the possible as you can imagine it to be. Let it be a dream that you are about to employ someone.

The Government tries to help in such matters. It produces, for instance, the *Employers' Guide to PAYE* to make simple the long-forgotten art of hiring staff.

But like all well-intentioned efforts attempts to make simple the laws of the land, it behoves the reader to read it well and regularly before the correct procedures become transparent.

What you really need in such circumstances is an Expert to help you out. And in the near future that is exactly what you can have.

These particular experts have one big advantage over others - they run on a computer. For these are the "expert systems", the fifth generation dream machines.

And, at last, they are arriving. One of the first to arrive will be in June from an Oxford-based firm. Expert Systems. Its new product is called *ES/P* Advisor.

And, among other things, it will act as an expert consultant to those who wish to take on new staff, guiding them through the maze of National Insurance, PAYE, P45s, P46s, P15s, Emergency Coding and all of the other things. This particular program will run on those micro computers with CP/M-

**Worried about how to care for new employees?
An Oxford firm's new product
may take the pain out of PAYE, P45s and NI**

80, CP/M84, MSDOS or PCDOS - a range of machines which includes most of the popular 16 bit computers currently in use.

The important thing about expert systems generally is that they can also advise you how to take bread, carry out the conveyancing on your own property transactions without a solicitor, and decide when Statutory Sick Pay is due. In a matter of weeks from its launch, a host of new areas of expertise could become rapidly available to you at the flick of a disk.

The essence of the matter is that expert systems are not traditional computer programs as such. They are a shell within which expert systems can be quickly and easily constructed.

All expert systems consist of two parts - a knowledge base and an inferring engine, both of which are good terms to remember next time you want to impress the less computerate round at your local hostelry.

The knowledge base is the particular area of expertise for some problem and it may be, say, the knowledge embedded in the Government's regulations concerning the hiring of employees. Equally well, it might be the knowledge needed to

bake bread. The inferring engine is the general purpose program which is used to drive this knowledge base. The shell is the inferring engine combined with the means to rapidly add a new knowledge base - a sort of framework within which expert systems can be rapidly constructed.

Of course, nothing in this world is perfect. Companies cannot produce expert systems which will tell you how to become, say, a millionaire (a distinct failing that) but this is simply because there is no preexisting body of knowledge to draw on which could advise you on that matter. But, if there already exists a text which will tell you what to do in certain situations, such as that in which you wish to hire staff, then expert systems such as *ES/P* Advisor enable a competent programmer to computerize this knowledge in a matter of days.

To make this clearer I decided, amid dreams of grandeur, that business was so good that I was about to take on, as an employee, Her Majesty The Queen and informed *ES/P* Advisor of the fact (next week: World Domination and How to Achieve It).

But had I merely wished to hire non-royalty the system would have worked fine.

"Has the Queen", asked, *ES/P* Advisor, "Handed you Parts 2 and 3 of form P45?"

"No", I replied, frankly shocked at the thought.

"Has the Queen lost the P45 form?", came back the machine.

"No", I replied, almost stunned at the suggestion.

"What situation was the Queen in immediately prior to being taken on for employment?"

1) Self-employed; 2) previously employed full-time; 3) receiving full-time education at school or college; 4) claiming unemployment benefit; 5) any other occupation?"

The only part-way decent response seemed to be "5" and so the session proceeded, until I was advised to: "Ask the Queen to complete either Certificate A or Certificate B on the back of form P46 and obtain his/her signature to the appropriate certificate..."

Send the form P46 with Certificate B signed and Box (1) ticked by the Queen to the Tax Office...

At which point one's dreams of grandeur vanished like mist to be replaced by a nightmare in which a Buckingham Palace spokesman might be heard to observe frostily that "Her Majesty does not tick boxes!"

But had I merely wished to hire non-royalty the system would have worked fine.

Twelve say No to IBM's Euro plan

By Kevan Pearson

Over the last month IBM has been making strenuous efforts to get its own brand of computer network adopted as a standard by Western Europe. But IBM's efforts to push its own system, known as System Network Architecture (SNA), have been met by a consortium of 12 information technology companies which have put their own plans for open systems, allowing far more flexibility, before the European Commission. A spokesman for one member of the consortium, ICL, explained that adoption of the standard will give computer users "a greater freedom of choice" and prevent them being "locked in" to any particular supplier.

The problems include not only IBM's prodigious market share but also its determination to force strong links with the European public telecommunications authorities (EPTTs).

In the UK for example IBM has been involved in discussions with British Telecom and the Committee of London Clearing Banks about plans to establish an electronic funds transfer system in shops and the network it might well use to run on. IBM is also in the process of establishing a private telephone switching network for the Post Office based on its

ageing 1750 automated branch exchange.

The 12 companies hope to persuade the EEC to adopt the Open Systems Interconnection standard being developed by the International Standards Organization. Adoption of this standard for computer design will allow computers from different manufacturers to communicate freely with each other, which is hardly possible at the moment because of the different internal designs used by different manufacturers.

But IBM is not standing idly by while this happens. In addition to the links with British Telecom the company is also talking to other European PTTS. According to Al Dunn, European director of the Yankee Group market research company, the Austrian PTT is already planning a national valued added computer network based on IBM's proprietary interconnection system-SNA.

IBM is also talking to the West German Bundespost and Stet, the Italian PTT, about similar networks, says Dunn. The Bundespost would like to use the OSI standard for its network, but as with the UK, West Germany plans to privatize its telecommunications market and the Bundespost wants to operate its commercial services as soon as possible.

But until the OSI standard has been completed, no one can develop products or services to meet it. SNA, on the other hand, has been around since 1974 and a wide range of products exist which use it. And it is used by many independent companies, such as ICL and Digital Equipment, the world's second largest manufacturer of computers, to link their products to IBM systems.

In addition IBM will probably launch its own computer network in Britain before long. It already has a licence to operate a value added network service here. Such a system already exists in the US. Called the Information Network, it allows users to access IBM programs and computers that they do not have running in their own computer installation. It also allows users to link two or more computers at different sites. The Information Network handles all the interconnections.

If there is universal acceptance of IBM networks it is not just as a commercial threat to its nearest competitors, although they may well at some time have to go cap in hand to IBM if they require some new type of link into the network. The larger question is a political one in that it would give IBM a high degree of control over European communications generally.

Share transfer of no effect

In re Zinoty Properties Ltd
Before Mr Justice Mervyn Davies
[Judgment delivered April 13]

A transfer of a share effected at a time when there were no directors, in consequence of the operation of article 89 of Table A of the Companies Act 1948, was not valid at the date of an extraordinary general meeting and in consequence a resolution for voluntary winding up, passed at the meeting, was of no effect. Mr Justice Mervyn Davies so held in the Chancery Division making a winding-up order on equitable grounds under section 222(f) of the Companies Act 1948.

MR JUSTICE MERVYN DAVIES said the petitioner, Hanover St George Securities Ltd, sought an order that it was just and equitable for the company, Zinoty Properties Ltd, to be wound up compulsorily under section 222(f) of the 1948 Act.

Miss Newman, for the company and a contributory, City Road Securities Ltd, contended that the company had been placed in voluntary liquidation on February 15, 1984 and that the voluntary liquidation should be allowed to continue, whether or not it was right to make a compulsory order.

Mr Weaver said the alleged voluntary liquidation had not been properly constituted, or if it had been, that it should be stopped pursuant to section 310 of the 1948 Act, so a compulsory liquidation could proceed.

The company had been incorporated in 1967 in order to acquire and

develop a site in Chandler's Ford, Hampshire, two shares being controlled through the petitioner by Mr Brown, while six had been held by City Road Securities, a company controlled by Mr Perry.

Mr Brown and Mr Perry had been involved, through companies, in a number of joint ventures. Mr Brown had expected to be, but later discovered that he had not been, appointed a director.

The uncontested facts showed that he had not been so appointed, and that a Mr Bullfield had been appointed instead; that the company had been formed solely to develop the Chandler's Ford site but had been used for another venture at Clapham; that accounts had not been properly prepared or distributed, nor annual returns submitted; that the assets, having been rendered into cash, had been lent or otherwise applied without security and interest free.

It was further shown that the transfer to the petitioner on May 9, 1977 had not been registered until June 28, 1979 and that there had since been difficulty in obtaining the share certificate, that the company had never held any general meetings with the consequence that by operation of article 89 of Table A, the company had no directors, and that some entries in the accounts of "loan interest" and auditor's remuneration were unexplained.

The petition was presented on December 14, 1983. On February 10, 1984 there had been a purported transfer of one share from City Road to Mr Bullfield. No point was taken that while mutual trust and confidence could of course subsist between two individuals it perhaps

could not in any sense subsist between two corporate bodies. The argument had proceeded on the footing that Mr Brown was to be wholly identified with the petitioner, and Mr Bullfield and Mr Perry with City Road. The judgment was delivered on that footing. His Lordship was of the plain opinion that the company should be wound up.

Mr Weaver accepted that the meeting of February 15 was validly convened, but said that no quorum was present (Mr Brown did not attend) it was not effective to place the company in voluntary liquidation.

Article 7 empowered directors to decline to register a transfer to a person who was not already a member of the company, so the question arose whether in the absence of any directors the company's secretary was entitled to register the transfer to Mr Bullfield. If so he was a member on February 15, there was a quorum and the resolution for voluntary liquidation was duly passed, if not he was not a member on that date and there was no valid resolution.

A share in a company was *prima facie* freely transferable; see *In re Svaldale Cleaners Ltd* ([1968] 1 WLR 1710), but against that article 7 empowered directors in their absolute discretion and without assigning reasons to decline to register any transfer, though that right must be exercised without undue delay, which normally meant a two months delay.

Miss Newman persuasively argued that there being no directors

on February 10, no active step could be taken by the directors pursuant to article 7, and she distinguished *Chida Mines Ltd v Anderson* ([1905] 22 TLR 227).

Mr Weaver submitted that a company secretary could only make an entry on the register when authorised to do so by the board, and he relied on Mr Justice Oliver's judgment in *In re New Cakes Engineering Co Ltd* (unreported, December 3, 1975).

However, those competing submissions his Lordship concluded that he must look at the position as it was just before the extraordinary general meeting of February 15, 1984, when Mr Bullfield had a *prima facie* right to be registered subject to article 7 being expressly activated against him and when the company had a right, over a reasonable period of two months, to consider the matter.

Mr Bullfield would have a right at the end of the period to have had the transfer registered, but if during the period the absence of directors were remedied, the new directors would have an opportunity until the end of the two months to refuse the registration. Accordingly Mr Bullfield was not entitled on February 15, 1984, when Mr Bullfield had a *prima facie* right to the voluntary winding up resolution was without effect.

His Lordship went on to hold that, even if he were wrong, in the circumstances the rights of the petitioner would be prejudiced if the voluntary liquidation were to proceed and accordingly made a compulsory winding up order.

Solicitors: A. L. Bryden & Williams; Norton Rose, Botterell & Roche.

You'll be sick as a parrot if you miss this month's Your Computer.



If you've ever fancied yourself as an armchair Atkinson or a closet Clough don't miss May's issue of Your Computer. It tells you how to play Football Supremo, the game that lets you call the shots as a soccer manager.

There's also a preview of the new Amstrad 64K home computer. A software survey on games for the Spectrum, the Electron and the BBC. As well as listings for the Vic-20, Dragon, Oric and Commodore 64. And lots more.

May's issue is out now. You'll be over the moon if you get it.

A 3 bit guide to constructing an 8 bit micro starts this month.

Wireless

In May's new look Electronics and Wireless World there's the first of a three part guide to constructing the SC84 8 bit disc drive micro.

Designed by John Adams in his own back bedroom, it's 65% faster than IBM's PC.

And with 64K of user memory it's been designed with add-ons in mind, and to specifications that make it satisfying to construct.

There's even a range of inexpensive software, including a disc operating system available from the same designer.

Also featured this month is the first of two articles on Electronics and Wireless World's own multi-standard modem, which provides access to both Prestel and Micronet.

And there's much, much more.

Duty of minister to construe treaty

Regina v Secretary of State for Transport, Ex parte Philippine Airways Ltd

Although the Air Services Agreement between the United Kingdom and the Philippines was an international treaty, its provisions were therefore not justiciable on an application for judicial review, if the secretary of state took those provisions into account in deciding whether to exercise his powers under article 59 of the Air Navigation Order (SI 1980 No 1965) to revoke, suspend or vary an airline's operating permit, he was under a duty to ask himself the right question regarding the effect of the agreement on the exercise of his powers under article 59, which would require him correctly to construe the agreement.

Mr Justice McNeill so stated in the Queen's Bench Division on April 13, granting Philippine Airlines judicial review by way of certiorari to quash a provisional suspension of its operating permit, which it had held for over three years, by the Secretary of State for Transport, who wished to prevent it flying more than two flights a week between London and Manila.

HIS LORDSHIP said that the secretary of state had power under article 59 provisions to suspend or vary a permit pending due inquiry, and following such inquiry to make a final decision to revoke, suspend or vary it.

In this case, in view of the length of time during which the permit had been in force, three to six months' notice of the intended revocation would be required for a final decision; the secretary of state would need that time to complete the due inquiry. The power to suspend or vary permits provisionally was not confined to emergencies.

In order to succeed the applicant did not have to show that the secretary of state's decision had been perverse or in bad faith.

The secretary of state had not considered whether the Air Services Agreement conferred any rights or imposed any duties on the applicant. He should have done, because that issue was relevant to the exercise of his powers under article 59.

Council aware of factors in jobs change

Regina v Hertfordshire County Council, Ex parte National Union of Public Employees and Others

Hertfordshire County Council were aware of all the factors involved in dismissing staff employed under terms and conditions prescribed by the national agreements in relation to manual and non-manual workers and offering employment on new terms and conditions differing from those prescribed by the national agreements and accordingly, the council had not failed to take into account the advantages of adhering to nationally agreed terms when deciding to terminate the contracts of employment of workers in the school meals service and to offer new contracts of employment. Mr Justice Mann so held in the Queen's Bench Division on April 16 dismissing an application for judicial review.

HIS LORDSHIP said that the changes involved were self-evident and apparent to the members of the council. The council had before them a report by the education committee on the school meals service which included a section on the process of union consultation and alternative proposals.

Officer not empowered

Regina v Birmingham City Council, Ex parte National Union of Public Employees and Another

Section 101 of the Local Government Act 1972, which empowered a local authority to delegate its functions to a specified officer did not empower an education committee to delegate functions to an officer and accordingly, the chief education officer of the council was not empowered by a resolution of the council's education committee to determine the contracts of employment of workers in the school meals service. Mr Justice Mann held in the Queen's Bench Division on April 16 granting an application for judicial review brought by NUPE.

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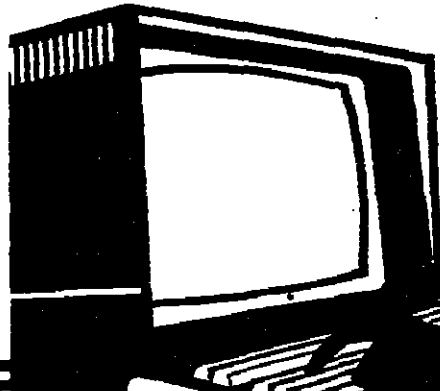
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Capitalization and week's change

ACCOUNT DAYS: Dealings Began, April 9. Dealings End, April 27. Contango Day, April 30. Settlement Day, May 8

Forward bargains are permitted on two previous days.

(Current market price multiplied by the number of shares in issue for the stock quoted)

FT STOCK INDICES	
GOVERNMENT SECURITIES	81.66 (81.94)
FIXED INTEREST	86.31 (86.31)
INDUSTRIAL ORDINARY	880.0 (888.6)
GOLD MINES	683.2 (679.4)
ORDINARY DIVIDEND YIELD	4.36% (4.32%)
EARNINGS YIELD	9.97% (9.88%)
P/E RATIO (NET)	12.11 (12.21)
P/E RATIO (NIL)	11.05 (11.60)

BRITISH FUNDS

Outstanding	Stock	Friday	week	Yield		
BRITISH FUNDS						
SHORTS						
110000	Each	144	1984	1000000	13.819	6.171
100000	Each	144	1985	1000000	13.819	6.171
100000	Treas	1254	1984	1000000	13.828	6.170
100000	Treas	1254	1985	1000000	13.828	6.170
100000	Treas	1254	1986	1000000	13.828	6.170
110000	Each	Cv	1987	1000000	11.728	12.832
110000	Each	Cv	1988	1000000	11.728	12.832
120000	Treas	1174	1985	999000	11.347	14.000
120000	Treas	1174	1986	999000	11.347	14.000
99700	Treas	C	9990	1000000	13.819	6.171
110000	Each	144	1985	1000000	13.819	6.171
110000	Each	144	1986	1000000	13.819	6.171
110000	Each	144	1987	1000000	13.819	6.171
70000	Treas	C	9990	1000000	13.819	6.171
110000	Each	144	1988	1000000	13.819	6.171
80000	Treas	C	1254	1000000	13.828	6.170
80000	Treas	C	1254	1000000	13.828	6.170
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THE TIMES

FINANCE AND INDUSTRY

Executive Editor Kenneth Fleet

Going gets tough in ritual Japanese trade war

When the thin milk of international economic cooperation turns sour, Western governments reach for a drop of the hard stuff. Knocking the Japanese is an intoxicating game played by European and American politicians before almost every one of the present series of annual economic summits. Complaints against Japanese trade practices go down extremely well in Detroit, or Lille, or Coventry or Stuttgart, but this year's ritual trade war is beginning to look more like a drunken brawl.

The West's case against Japan is always the same: the numbers, however, get bigger. The Japanese trade surplus topped a record \$23 billion (£16 billion) in the year to March. In that month alone, it exceeded \$3 billion. Forecasts for the coming year run as high as \$35 billion.

Those countries euphemistically known as Japan's "trading partners" are rarely so crude as to demand that Japan simply stop exporting. But some of the requests for "restraint" come pretty close. This past weekend Count Otto Lambsdorff, West Germany's finance minister, told a conference in Tokyo that the Japanese should stop flooding export markets with "sensitive" products (meaning, presumably, those products European consumers most want to buy from Japanese makers rather than their own).

But the war against Japanese exports is more usually conducted under the apparently reputable guise of anti-dumping actions. Quite a lot of disreputable protectionism is rubber-stamped in this way by national courts, however, because dumping is not easy to define, and even when the barriers go up for the most defensible of reasons, they add to the dead weight of trade restriction now dragging down world growth. So a more respectable, but also more difficult approach has been to try to get Japanese imports up - not Japanese exports down.

In this international argument, the American economy emerges from the doghouse to be placed, improbably, on a pedestal. The much-abused American budget deficit reappears as a generous trade deficit, in contrast to Japan's money-grubbing surplus. These two super-economies are now expected to notch up about the same percentage increase in gross national product in 1984 (new Japanese indicators released yesterday show the economy speeding up). But while Americans are buying more extra goods than they are producing - thus helping others to expand - the Japanese are selling more than they buy.

Looked at from the consumer's point of view, it is the Americans who are being greedy, not the Japanese. The net gainers from this trade imbalance are the Americans, living beyond their means; the net losers the Japanese consumers, who are not receiving the full benefit of the extra buying power earned by their nation. But in Japan, as in America or Europe, it is producers that pull the strings; so every year the Japanese open up their markets as little as possible to American beef and oranges, or British biscuits (the shopping list never seems to vary), while the Americans and Europeans seize the excuse to keep out Japanese cars and videos.

One exasperated British negotiator once described the Japanese negotiating technique as "tossing Oxo cubes out of the sledge to keep the wolves at bay." Every Japanese politician can recite a formidable list of import restrictions dismantled over the past 10 years of economic summits, just as he will point to his Gucci shoes and Savile Row suit and remind you politely

that there is a limit to the amount of Scotch he can consume. But when visible barriers come down, exporters trip on invisible restrictions; Japan still, for example, refuses to accept international testing standards for European chemicals.

In this niggardly trade war, the fault is not all on the Japanese side. Every local market has its peculiarities, and Western manufacturers are a sight too ready to cry foul when it is their own marketing strategy that may be at fault. Some exporters do get through: Europe sold 20 per cent more to Japan last year, narrowing the trade gap a little. And Japan is not immune to the problems of recession, which so many Western industries plead as an excuse for protectionism.

But there are two strands in this year's pre-summit argument which are trying Western tempers to danger point. One is the standard Japanese technique of dangling large individual contracts (eg, for telecommunications satellites) in front of aggrieved exporting nations (eg, the United States) as a substitute for more open markets. This year's gestures are coming from the private sector because Japan is trying to hold down government spending - but, even so, they are no substitute for trade freedom. The second is a particular degree of obstinacy about trade restrictions in services and finance.

Japan's pre-eminence in manufacturing has hidden the growth of a rich and protected service sector. Japan now possesses the world's biggest advertising agency as well as its biggest steelmaker. In most services, the trade issues are intrinsically no different from those involved in "visible" goods competition. In finance, they are both more complicated and more sensitive.

America's particular determination to get the Japanese to open up their financial markets is not solely designed to earn American banks a fair share of the Far Eastern financial action. It reflects the weakness of the yen. The American Administration believes strongly that Japanese goods compete unfairly on price because financial controls keep the yen permanently undervalued. On their side, the Japanese know that cosy, controlled financial markets have been an important ingredient of industrial investment and expansion.

The dispute between the two has now reached a dangerous deadlock. The Americans have blocked international agreement on a reshuffle of the responsibilities (together with a much-needed injection of cash) at the World Bank in a savage attempt to force Japan to act; but after a week's emergency negotiations, the Japanese were, over the weekend, still trotting out old excuses, and floating the hoary old idea of an offshore yen market as an alternative to true liberalization. Yet, at the very same moment, the South Korean Government was announcing that it would be opening up its financial markets to foreign banks next year; they will have equal access, on a par with domestic banks, to the central bank's discount facilities. This move was deliberately designed to distinguish Korean trade practice from Japan's, because the Korean Government is afraid of being tarred with the same protectionist brush. Imitation by such newly-industrialized countries as Korea has been, for Japan, the sincerest form of flattery. Now it should learn from its flatterers, before it is too late.

Sarah Hogg
Economics Editor

China acts to boost Hongkong morale after Howe's speech

By Ian Griffiths

Both the Hongkong Government and the British Government have moved over the weekend to maintain confidence about Hongkong's future as an investment and financial centre in the wake of Sir Geoffrey Howe's announcement on Friday that Britain will withdraw its administration from the colony in 1997.

The Hongkong Government Office issued a statement on Sunday that merchant banking Bank of National Westminster was moving investments into Hongkong because it saw recovery prospects. County Bank has already moved \$500m (£352m) to Hongkong, Japan, Singapore and Malaysia.

although the bulk has gone to Japan.

A spokesman for the Hongkong Government Office said: "The maintenance of stability is the number one priority. However, we have no view on commercial matters and would not interfere with the stock markets. We prefer to let the market sort itself out."

Observers in Hongkong report that Sir Geoffrey's announcement was well received

by the local press and although it contained little by way of new information, the official recognition that Britain would withdraw from 1997 affords the opportunity for companies to plan their future with certainty.

An drop in the Hang Seng index will reflect short-term speculation rather than a long-term lack of confidence.

to maintain confidence and on Saturday a senior leader, state councillor Ji Pengfei, told a Hongkong delegation that Taiwanese companies and officials based in the colony should stay and invest when China takes over in 1997.

He said they would have full rights and added that all relations between Hongkong and Taiwan, including sea and air transportation, economic and cultural ties and personnel exchanges, would not be affected by the change.

The Chinese language newspaper *Wen Wei Po* reported in Hongkong yesterday that talks on the colony's future are now likely to speed up.

Banks detail Esal rescue plan

By Philip Robinson

Bankers telephoned details of a \$34m (£31.7m) rescue package to leading creditors of Esal (Commodities) this weekend, in an attempt to save the London based group, which comprises a dozen companies and has debts of \$200m (£141m).

Seven banks owed about \$150m and led by the Punjab National Bank, have drawn up the package but its success depends on the 25 unsecured creditors owed between \$30m and \$50m signing it.

Some were sceptical last week that the package would contain anything more than promises of being repaid from Esal trading profits over the next two or three years. Unsecured creditors want to see cash on the table from the bankers as a sign of goodwill.

If agreed, the banks will inject \$5m immediately to cover day-to-day costs and will guarantee a further \$40m to cover trading. There will be proposals for both the banks and the unsecured creditors, but it is doubted whether these include cash payments.

Esal (Commodities) has not traded since January. Its assets are now frozen by High Court

order. This would have to be removed before trading could resume. Esal says its problems started when a coup in Nigeria caused cuts in sugar imports and payments for goods already taken.

However, long before the coup, records lodged with Companies House show Esal Commodities was having to offer large security on loans. The Central Bank of India has a registered charge over a Boeing 707 owned by the company.

None of the original directors is now running the company, which has been held together for the past seven weeks by Mr James Coote, an accountant appointed by a creditor of Esal Commodities.

If the package is agreed, the banks are expected to appoint a management team to include the accountants Peat Marwick Mitchell, which is conducting a detailed investigation into the group.

The plan would be to obtain business from those past directors who are no longer in Britain and hope that undisclosed amounts owed to Esal (Commodities) by Nigeria will be repaid.

Esal (Bookmakers), a private company incorporated in 1980 which has not filed accounts since, has removed the two directors who also set on other Esal companies. Mr Kalin Ahmed Nasim and Mr Fahim Ahmed Nasim were voted off the board on February 9.

Mr Howard Cohen, a director of Esal (Bookmakers), declined to talk about any links with other Esal companies. He said: "We are a private company and I do not feel I have to justify the actions of my company to journalists."

Grand Met wins Far East first

By John Lawless

Grand Metropolitan has become the first Western company to win the right to bid for "life support" contracts to China's offshore oil industry.

The business potential is great, as shown by another contract held by Grandmet International Services (GIS) in Saudi Arabia. It services the Aramco oil-town population of up to 15,000 expatriate workers.

GIS employs 5,000 staff worldwide providing basic necessities and comfort in work camps.

However, it had to get an early stake in China, the only likely significant area on the world oil production map, if it was to continue its substantial expansion.

So far, the only other foreign company sanctioned to bid for support services has been a Hongkong-based joint venture involving Jardine, Matheson.

GIS has set up its own 50-50 partnership with the Hongkong-based Fung Ping Fan family concern.

The new company GF International Services (China) has already won its first mainland contract. It is to run the 280-room Hai Bin Hotel in Zhanjiang, which is to be expanded to 800 rooms to cope with the growing number of foreign oil workers living there.

Shell has won a big contract to carry out a feasibility study for a joint venture to develop part of China's large coal reserves.

Shell Coal International and the China National Coal Development Corporation have signed an agreement after more than a year of negotiations. Shell would help develop a mine in Shandong province.

Nigeria near agreement

By Our City Staff

An announcement that Nigeria has at last reached agreement with the International Monetary Fund for an extended, three-year credit of up to \$3.1 billion (£2.76 billion) is possible within the next two weeks, well-informed financial sources said yesterday.

The announcement is likely to be made by the military government in Lagos, probably to the effect that it is signing a letter of intent for an economic readjustment programme. That would still have to be approved

by the IMF's managing director before going before the fund's board of directors.

On that timescale, formal approval would come by June at the earliest.

There is still extreme caution in financial circles, however, that the intense feeling in Nigeria against a devaluation of the naira may still spike the deal, or at least delay it.

However, with agreement seemingly close between Nigeria and its uninsured trade creditors, such an outcome seems less likely.

During the past few weeks, senior officials have been making obvious attempts to prepare the population for a harder-than-expected two- to three-year ahead. Major-General Muhammadu Buhari, Nigeria's Head of State, said in a televised discussion of the economy with trade union leaders when the military took over: "We never knew it was so bad."



John Hann: New head for mail order group.

Chairman steps down

Mr Michael Pickard is to step down as chairman of Grattan, the Bradford mail-order retailer, to concentrate on his role as full-time chairman of Imperial Brewing and Leisure.

He will be succeeded by Mr John Hann, aged 57, who until last month was managing director of the retail division of Boots.

Mr Pickard has presided over a restructuring of the Grattan board, which included recruiting new directors from the British Mail Order Corporation, since he became chairman.

Mr Pickard, aged 51, said he would be staying on the Grattan board. The appointment of a new chairman had been discussed since last autumn.

TUC opposes self-regulation

By Frances Williams, Economics Correspondent

Britain's retailers expect buoyant business this month after a disappointing March, according to the latest survey of distributors' trades by the Confederation of British Industry.

Mr John Salisse, chairman of the CBI's survey panel, described the March figures, which showed only a 2.5 per cent rise on the previous year, as "just a hiccup" and said sales

in April "may possibly return" to the exceptionally high levels of late last year.

Retailers believe that recent cold weather combined with a late Easter depressed sales in March but there are already signs that business has picked up this month, especially in clothing and footwear which did much worse than expected last month.

Of the 340 retailers in the

survey, conducted in late March and early April, 77 per cent foresee higher sales this month than a year ago, while only 7 per cent expect a drop. The chance of 70 per cent compares with 45 per cent for actual sales in March.

Wholesalers and motor traders, who suffered a fall in March sales from a year earlier, envisage a pickup in business this month.

NEWS IN BRIEF

Overtime rises as perks fall

The amount of overtime worked in manufacturing industries is rising, according to a study by Reward, a company specializing in regional wages and salaries surveys.

Figures show that 34.5 per cent of manufacturing operatives worked overtime in November 1983, only marginally below the level in 1977. Average hours worked was 8.7 the same as 1977.

The Reward study suggests that one reason why unemployment is not falling as companies pull out of the recession is the increase in overtime. This is borne out by recent comments from several manufacturing companies.

The study also highlights a growing trend to move away from fringe benefits and perks to concentrate instead on direct pay.

One reason for this is the Government's continued attack on fringe benefits.

● Extension of VAT to building alterations and improvements will deter essential housing repairs says the Building Economic Development Council, which claims that repairs worth £20 billion are overdue.

● Footwear imports rose steeply in January to give foreign makers a 65 per cent market share compared with 56 per cent in 1983. But British makers' order books are treble the December level and factory employment is expanding.

● Occidental Oil's 15 per cent stake in the Claymore fields is for sale, valued at up to £120m by the specialist broker Wood Mackenzie.

Surge in investment spending forecast

By Our Economics Correspondent

A surge in investment spending of 8 per cent this year and 7 per cent next is predicted by Rowe & Pitman, the stock brokers, in an analysis of the Budget tax changes for companies.

The analysis published today says the Government, which has forecast a 6 per cent increase in capital spending this year, has underestimated the incentive for companies to accelerate investment plans in order to maximize tax allowances before they are phased down.

The cutting of rates by the leasing market, which is dominated by the banks - also offers a powerful incentive to companies to invest early. It is now offering rates of about 2 per cent.

Leasing has been widely used by companies who did not pay enough tax to enable them to claim full tax allowances. The leasing groups claimed the allowances instead and passed most of the benefit on to the investing company. But the Budget tax changes will make leasing much less attractive.

AMERICAN NOTEBOOK

Higher taxes whoever is elected

Even before the presidential election has begun there is already a wide acceptance in Washington, on Wall Street and on main street, America, that there will be substantial increases in rates of taxation in 1985.

If President Reagan is returned, it is expected indexation of the income tax scales will be maintained pending the institution of a new income tax structure. This is likely to have only about three "steps" and a minimum of deductions. The deductibility of home mortgage interest is unlikely to be eliminated.

There is also active discussion about the prospect of levying a wide-ranging national sales tax or even a value-added tax.

Whoever is returned to the White House and whichever party has the majority in the Senate, it seems most likely that

there will be substantial tax increases, indicating the inability of Congress or the Administration to gain control of government spending.

The failure to control government spending and the continuing evidence of a strong rise in banks' reserves have sent the financial markets into ever-deeper gloom. Bond futures at the end of last week had fallen to within 10 per cent of their 1982 low. Cash bonds last Thursday were as low as they had been in August 1982, at the bottom of the slump before the big bond rally of August-November 1982.

Over the past couple of months there has been increasing speculation that there will be a sharp drop in the rate of growth of real gnp in the second quarter. The economic reports of March conditions indicate that the economy probably peaked in January and levelled

off or even declined in February and March.

Most analysts who are forecasting a slump in the rate of real gnp growth in the second quarter are, however, expecting that economic growth will bounce back in the third and fourth quarters.

It is here that the financial markets may have something to say.

In the last two weeks, it has seemed as if nothing would modify the bond markets. They plunged the day after the announcement of a 2.5 per cent drop in retail sales and a fall in the M1 money supply figure. That was Friday, April 13. Last week they continued to drop, indicating their fear of prospective inflation.

The gloom in the bond markets and the bad conditions in the stock markets may well go some of the way to knock the boom in consumer spending

that has been so important in the recovery to date. Millions of Americans have a stake in the financial markets.

Another result of the bond market's gloom has been the halt of the downturn of the dollar against leading currencies.

Gold hopefuls have also seen their hopes dashed for the time being, as the power of the bears in the bond market has overwhelmed optimism in gold based on prospective increases in American inflation.

We are seeing the "revolt of the financial" markets in full force. So powerful is the cynicism bitterness of the bond markets that it raises the question: Will the inflationary boom that the money explosion of 1982-1983 seemed to predict actually come about?

Maxwell Newton

Dow up in mixed trade

New York (AP - Dow Jones) - Stocks were mixed with enough gains among the blue chips to lift the Dow Jones industrial average back into the black yesterday.

The average showed a gain of more than one point after it had slipped to a loss of two.

But declining issues were 7 to 5 ahead of advances. Trading continued slow.

Mr Robert Farrell, market analyst for Merrill Lynch, said some long-term technical indicators were moving toward bullish levels that could be of major significance but currently are in a sort of stock market "limbo".

International Business Machines was up 1-8 at 110 7-8; General Motors down 1-8 at 64 5-8; General Electric up 1-8 at 34 5-8; Ford unchanged at 35 1-8; Sears Roebuck down 3-8 to 32 3-8; Lockheed up 3-8 at 36 3-8; Teledyne up 1-8 at 158 and Texas Instruments up 1-8 to 139 1-4.

STOCK EXCHANGES

FT-SE 100 Index: 1108.4 down 7.8 (day's high: 1114.8; low: 1108.4)
FT Index: 880 down 8.8
FT Gilt: 81.65 down 0.26
Bargains: 22.27

Datastream USM Leaders Index: 113.67 up 0.11
New York: Dow Jones Industrial Average: 1153.27 down 3.24
Tokyo: Nikkei Dow Jones Index: 10783.04 down 149.81
Hongkong: Hang Seng Index: 1115.85 up 25.65

CURRENCIES

LONDON CLOSE

Sterling \$1.4185 up 5pts
Index 79.9 up 0.2
DM 3.7700 up 0.0127
FF 11.5500 up 0.0200
Yen 319.00 unchanged

Dollar Index 127.8 down 0.1
DM 2.6580 up 0.0081

NEW YORK LATEST
Sterling \$1.4170
Dollar DM 3.7650

INTERNATIONAL
ECU £0.593505
SDR £0.744207

BOARD MEETINGS

TODAY - Interims: Futura Holdings. Final: Anchor Chemicals, Bardsley, Bantalls, Capra Industries, Clement Clarke, Edinburgh Investment Trust, Emess Lighting, English National Investment, FCB, International, Lawrence Gold and Co., Helene of London, Moss Bros, Nordin and Pescoco, Rush and Tompkins, Thomas Warrington and Sons.

TOMMOROW - Interims: New Australia Trust, Union Carbide Corp, Vanbrugh, Currency Fund, Final: Ellis and Goldstein, Ex-Land, Gold and Base Metal Mines, Fleming Universal Investment Trust, Marshall's Universal, HC Slingsby, Spear and Jackson International, Travis and Arnold, Wingate Property Investment.

THURSDAY - Interims: Anglo-Scottish Investment Trust, Border and Southern Stockholders Trust, James Finlay, ICI (first quarter), Samuel Properties Stewart Nairn Group, Final: Blidde Holdings, Blue Circle Industries, Cifid Discount Holdings, Cole Group, EIS Group, Estate and Agency Holdings, Farnell Electronics, Norman Hay, House of Fraser, Lake View Investment Trust, Laporte Industries, Minet Holdings, James Neil Holdings, Harold Perry Motors, Office and Electronic Machines, Telephone Rentals, UBM Holdings, Whitman Reeve and Arnold, George Wimpey, Wire and Plastic Products.

FRIDAY - Interims: Aberdeen Trust, Berry Trust, Lowland Investment Co. Final: Henry Boot and Sons, Downbrae Holdings, Flight Refuelling, Hopkinsons Holdings, Sunlight Service Group.

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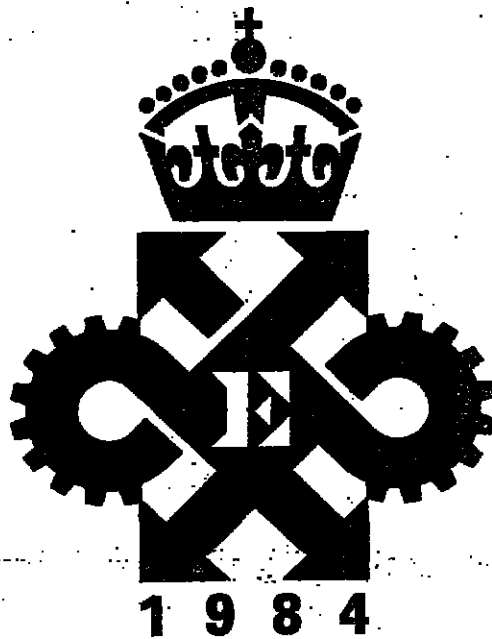
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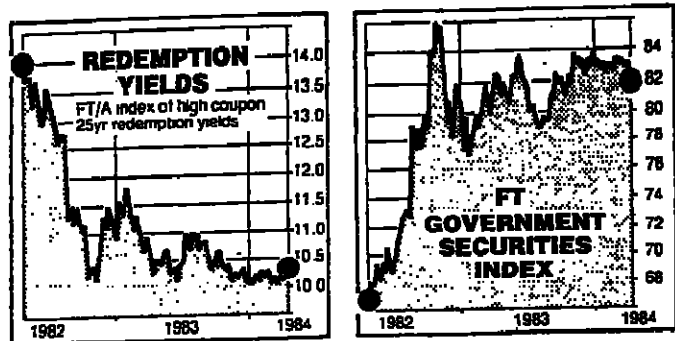


THE QUEEN'S AWARD FOR
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THE GILT-EDGED MARKET

Favourable climate despite doubts

Geoffrey Finn



One of the most disturbing features of the gilt-edged market's recent lacklustre performance, particularly in the eyes of those chartanalysts who fear further technical weakness, was the fall in the FT Government Securities index last Thursday to 81.68, its lowest point since last November 7. Over the past six months prices have remained locked within a narrow trading range with long-dated maturities fluctuating within limits of only 4½ points. This represents one of the longest periods of relative stability for several years in a market which has established something of a reputation for movements of increasing volatility.

Having reached a 19-year high of 85.84 in early November 1982, the index has since failed to progress beyond that point despite threatening to do so on a number of occasions. This failure to overshoot the 1982 peak has caused a great deal of disappointment to a substantial body of optimistic investors who confidently expected yield to decline, in line with tumbling inflation, to levels significantly below 10 per cent.

Alas, despite the considerable political bonus of Mrs Thatcher's convincing election victory last June followed by Mr Nigel Lawson's commendable Budget six weeks ago, the optimists have had to endure the frustration of a sideways moving market in which long-dated yields have stubbornly resisted falling below the 10 per cent. At present there seems to be relatively little immediate prospect of breaking out of the current impasse unless some unexpected piece of good news arrives, particularly from the direction of the United States.

to raise morale and restore confidence.

On the whole, the domestic monetary, fiscal and general economic background remains distinctly favourable for the gilt-edged market. However, a fair degree of understandable scepticism has been voiced concerning some of Mr Lawson's Budget assumptions on future economic growth, inflation, monetary guidelines and currency movements.

While it seems reasonable, on balance, to support the Chancellor's sanguine view on inflation, there are one or two slightly worrying pressure points which have manifested themselves recently on producer prices and industrial earnings. At present, they are being comfortably counterbalanced by a continuing squeeze on profit margins and by sustained labour productivity gains at the prevailing level of unemployment.

However, if attempts are made by producers and retailers to widen their profit margins and if unit labour costs per man hour do start to rise, the upward pressures on domestic retail

prices could begin to constitute a real threat to the official inflation optimism.

Some disquiet is also being expressed at the relatively high rate of growth in recent months in the broadly based PSL2 money supply measure which includes building society deposits. This grew at a rate of 12 per cent in the year to last month but at an uncomfortably higher annual rate of 15 per cent during the first quarter of this year. These growth rates compare with the official 1984/85 target range of 6 per cent to 10 per cent Sterling M3, on its newly defined basis which excludes public sector deposits, is estimated to have grown by 9½ per cent in the year to March but at a more moderate 7 per cent per annum over the past three months, both of which are comfortably within targets.

Those who want to worry will quote PSL2 and will stress the upward pressures which the current strong demand for mortgages is exerting on that particular measure. Those who are prone to complacency will

emphasize that Sterling M3, together with the narrowly based newcomer Mo, are both progressing within prescribed limits.

Whichever one chooses it seems that the authorities are completely relaxed about their funding programme at present. They have not introduced any sizeable taps since early March when £1¼ billion Exchequer 10% 1989 "A" was launched. Since then, the Government Broker has been happy to supply a trio of moderately sized medium-dated "taplets", a modest quantity of index-linked stock in response to a temporary upsurge in demand plus the most recent pair of low coupon shorts consisting of £100m Treasury 3% 1986 and £150m Treasury 3% 1987.

The latest figures on public borrowing, released last Tuesday, showed a seasonably adjusted provisional PSBR of £2.2 billion for the month of March. That brought the total outturn for the 1983/84 financial year to £9.4 billion, slightly below the official Budget forecast of £10 billion.

The important figure for the gilt-edged market to focus upon, however, is the 1984/85 PSBR target, which has been set at £7.4 billion. This at first sight might seem ambitiously low but, owing to various special factors such as an asset sales, the acceleration of VAT receipts on imports, the exclusion of public sector deposits and finally the anticipated receipt of the delayed £500m EEC rebate, it should be attainable without placing an undue burden on the gilt-edged market.

On examination, notwithstanding some slight areas of concern, there is relatively little to prompt undue anxiety.

Admittedly, the fear that the coal miners' dispute might escalate into a wider test of strength between the Government and the unions has played some part in the market's latest bout of depression.

However, by far the greatest source of despondency has been the recent rise in interest rates in the United States where the Federal Reserve has lifted the key discount rate from 8½ per cent to 9 per cent, its first increase since May 1981 and where prime rates have climbed to 12 per cent, their highest since November 1982. Long-dated US Treasury bonds have slumped to their lowest levels since August 1982 to a yield basis of just under 12½ per cent compared with just under 10½ per cent last May.

Although good news from across the Atlantic will probably be needed to lift the gilt-edged lethargy, the UK market has shown itself capable of moving independently over the past year. Furthermore, there are sufficient domestic grounds for reassurance to justify investors taking a positive stance and to start seeking some of the attractive returns thrown up by the recent fall in prices, particularly in the 1995 to 2000 maturity bracket.

The highest return is on Treasury 14% 1996 which yields 11.3 per cent at its recent price of 120½. Those who dislike paying over par could consider Exchequer 13% 2000 yields 10.92 per cent at 119½. Since these returns are some 40p higher than those prevailing three months ago the recent drift in prices does have its compensations for those awaiting a suitable buying opportunity.

Geoffrey Finn is a partner in stockbrokers Rowe & Piman.

USM REVIEW

Profit explosion ahead for becalmed Fitch

Figures from Fitch & Co, the design consultant, were well received in the market, but appear to have successfully masked what was an exceptional year for the group's business at home.

There is now a growing awareness among analysts that Fitch is on the verge of a profit explosion and this may soon be reflected in the share price. In 1983 Fitch's pretax profits rose 17 per cent to £1.02m on turnover 40 per cent higher at £5.5m. The contribution from the group's overseas activities, which are now undergoing a cost-cutting operation, almost disappeared, but profits at home improved by about £300,000 to almost £1m. The growth of the group's British operation shows few signs of slowing and they are expected to chip in with another bumper set of figures in the current year. Grieson Grant, the broker, is looking for pretax profits of £1.25m and for a "substantially better" performance next year.

Fitch won a prestigious contract from Asda this year to redesign several of its superstores and this, combined with existing contracts from Boots and the fast-growing Burton chain of shops, should ensure healthy profit growth over the next couple of years. Fitch is currently designing the interior of Terminal 4 at Heathrow and several new contracts are expected to be announced shortly.

The Budget proposals for cutting tax were also good news for Fitch which in the past has been a high taxpayer. The current p/e of 22 should fall sharply to around 15 next year making the shares even more attractive.

Fitch made a spectacular debut on the Unlisted Securities Market in October, 1982, with

the shares opening at 210p compared with the placing price of 150p.

Since then the shares have hit a high of 295p, but in recent months have moved sideways as interest waned. Grieson Grant is recommending Fitch as a "buy" and says: "The rating may be looking some way ahead, but we believe that investors are unlikely to have the opportunity to buy into this interesting situation on a significantly cheaper rating."

As a boy, Mr Joe Saphire always wanted to be a doctor, but when the money ran out his uncle offered him a job as a marketeer in the London Fruit Exchange. He has never looked back and, apart from a break

supplying big retail chains with fish fruit and vegetables all year round is a big problem and Mr Saphire says the growers are more than ever relying on new technology to make their task easier. Hunter Saphire now acts as agents for growers around the world and over the past few years has developed recipe dishes for stores like Marks and Spencer.

The USM's first unit trust manager takes its bow later this week when Robert Wigram, the stockbroker, announces the proposed flotation of shares in Plan Invest Group, one of Britain's largest independent unit trust portfolio advisory companies.

Plan Invest was formed back in 1974 by Mr David Trimble and Mr Peter Hayes, managing director, and claims to offer a comprehensive financial planning service to investors. The total value of funds now controlled by the group is in excess of £25m. The group's investment coverage is wide-spread offering its 750 clients expert coverage.

All three of last week's newcomers made a healthy start in first time dealings. The Body Shop, franchised retailing operation of body lotions, ended the week at 195p - a premium of 100p over the original placing price of 95p. Pantherella, the high quality socks manufacturer, where Sir Hugh Fraser owns a sizeable stake, also ended the week on a firm note. The shares placed at 80p closed at 104p - a premium of 24p in the first few days of trading. Ramco Oil Services, the corrosion experts in the exploration industry, enjoyed favourable support with the shares closing at 100p compared with the original placing price of 80p.

Michael Clark

OTTOMAN BANK

NOTICE IS HEREBY GIVEN that, in accordance with Article 29 of the Statutes, the ANNUAL GENERAL MEETING of Shareholders will be held on WEDNESDAY, the 23RD MAY, 1984 in THE VINTNERS' HALL, 68½ UPPER THAMES STREET, LONDON EC4 at 11 a.m. to receive a Report from the Committee with the Accounts for the year ended 31st December 1983; to propose a Dividend; to elect definitively a Member of the Committee in accordance with Article 16 of the Statutes; and to elect Members of the Committee.

By Article 27 of the Statutes the General Meeting is composed of holders, whether in person or by proxy or both together, of at least thirty shares, who, to be entitled to take part in the Meeting, must deposit their shares and, as may be necessary, their proxies at the Head Office of the Company in Istanbul or at any of the branches, or in London at Dunster House, 3rd floor, 37 Mincing Lane, EC3R 7DN or in Paris at 7 rue Mayerbeer, 75009, at least ten days before the date fixed for the Meeting.

The Report of the Committee and the Accounts which will be presented to the General Meeting are available to the Shareholders at the Head Office in Istanbul and at the offices in London and Paris.

T. R. STEPHENS,

24th April 1984 Secretary to the Committee

Moulinex

During their April 6, 1984 Meeting, the Board of Directors closed the 1983 fiscal year accounts which will be submitted for the approval of the next General Meeting to be held on June 30, 1984. It will propose on that occasion the distribution of a net dividend of FF 4, similar to the one of the preceding fiscal year, supplemented by a FF 2 tax already paid to the Treasury.

MOULINEX SA (FRANCE)		
(in thousands of francs)	1982	1983
PRE-TAX TURNOVER	2,207,982	2,290,788
Development percentage over the preceding fiscal year	-	+8.3
NET PROFIT AFTER PAYMENT OF TAXES	56,002	67,171
Percentage on turnover	2.6	3.6

MOULINEX CONSOLIDATED		
(in thousands of francs)	1982	1983
TURNOVER	2,744,227	2,912,217
Development percentage over the preceding fiscal year	-	+6.1
NET RESULTS	53,158	66,722
Percentage on turnover	1.9	2.4

Net profits have increased by 50% for MOULINEX SA over the preceding fiscal year and by 29.4% for the Group. It should be remembered that 1982 had already shown a definite increase over the 1981 fiscal year.

All subsidiaries (except Australia) show a profit. Results of the American operation represent about 15% of the consolidated profits.

The importance of our efforts in connection with the launching of new products and of our investments (French finance 190 million in 1983) allow us to start the year 1984 under good conditions.

Base Lending Rates

ABN Bank	8½%
Barclays	8½%
BCCI	8½%
Citibank Savings	9½%
Consolidated Crds	8½%
Continental Trust	8½%
C. Hoare & Co	8½%
Lloyds Bank	8½%
Midland Bank	8½%
Nat Westminster	8½%
TSB	8½%
Williams & Glyn's	8½%

† Mortgage Base Rates.
* 7 day deposits on basis of 100,000, 5%: £10,000 up to £20,000, 6%; £20,000 and over, 7½%.

"Investing in Success" Equities PLC

25th Annual Report Year to 31 January 1984

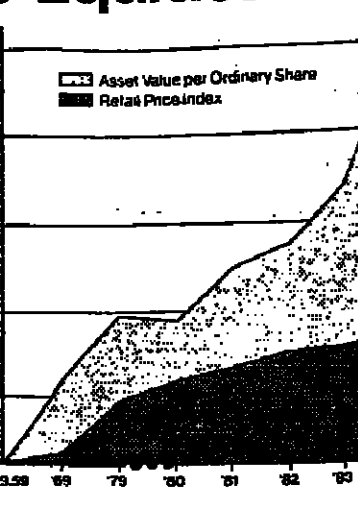
Total Assets Value £40.25m
Net Assets per Share 591.8p
Dividend increased to 7.6p

The Japanese market has risen steadily throughout the year: company profits are increasing significantly and the country is active and prosperous... At home there are signs of increasing production and most company profits are rising...

For the next 12 months I am confident of further progress.

R. C. Vickers MC, Chairman

Copies of the Accounts are available from:
City Financial Administration Limited, Regis House,
King William Street, London EC4R 9AR.



LONG ON RESOURCES. SHORT ON RED TAPE.

'That's the difference'

Next time you're involved in financing an overseas operation, don't make any major decisions before talking to Standard Chartered Bank.

You'll find we can save you valuable time; because as the UK's largest independent international bank, with an established reputation in the Eurocurrency markets, we're likely to have the resources to handle projects of any size and complexity.

Because we have branches in over 60 countries, you'll find us unusually helpful when it comes to providing local or multicurrency finance.

And you'll find some very definite advantages in

the fact that our 1900 branches provide an integrated system that specialises in working with the speed, accuracy and efficiency that international projects or contracts demand, if the opportunities are to outweigh the problems.

In fact, since we can offer everything from currency dealing (in 55 currencies, through 18

locations around the world), through leasing, trade finance and cash transmission, to merchant banking services in eight financial centres, you may well discover that Standard Chartered can make all the difference to your ability to do profitable international business.

That's a difference worth hearing about. Call us soon.

Standard Chartered

Direct banking, worldwide

Standard Chartered Bank PLC Head Office: 10 Clements Lane, London EC4N 7AB.

مركز الاستثمار

The Annual General Meeting of Sun Alliance and London Insurance plc will be held on 16th May, 1984 at the Head Office, Bartholomew Lane, London.

